

Agenda #7
May 7, 2008

Worksession

MEMORANDUM

May 6, 2008

TO: County Council

FROM: Susan D. John, Legislative Analyst 

SUBJECT: **Worksession: FY09 Operating Budget**
Cable Communications Plan

Summary of Management and Fiscal Policy Committee Recommendations

The MFP Committee held worksessions on the Cable Communications Plan budget on April 16, April 28, and May 1, 2008. The Committee recommends a net change of \$111,358 to the Executive's recommended \$16,675,000.

Item:	Dollar:	Page:
Increase Number of Televised Council Meetings and Programs	\$111,358	13

Outstanding Issue – Use of the Cable Fund Surplus

During Committee worksessions, two primary issues regarding the Cable Fund surplus arose: (1) how does the Council wish to use the Cable Fund surplus this year; and (2) whether there are any legal restrictions on the use of the surplus.

Currently, the FY09 Cable Plan projects a total fund balance of \$1.6 million, of which, \$860,000 must be retained as required by the fund balance policy guidance. This leaves about \$745,000 in the Cable Fund that could be used to fund various initiatives.

As noted above, the MFP Committee recommends an expenditure increase of \$111,358 to fund additional televised Council meetings and programs (see page 13 for more information). In addition, the Planning, Housing, and Economic Development (PHED) Committee has recommended approval of funding several Park and Planning initiatives, totaling \$737,500, with Cable funds (see ©44 for a brief overview of the proposed Park and Planning initiatives). If both of these Committee recommendations are approved by the Council, the fund balance would be \$756,142, or \$103,858 below its required balance of \$860,000.

During Committee worksessions, the Cable Office advised that some of the Park and Planning initiatives may be ineligible for funding with the Cable fund surplus because they are not directly related to the provision of cable services. Federal law places restrictions on the use of public, education, and government (PEG) revenues, which may comprise part of the Cable fund balance. ***Council staff, including Council legal staff, have examined this issue and have determined that there are no restrictions on the Cable fund surplus in FY09, and that all of the recommended projects are eligible for funding with Cable Fund monies during this fiscal year.*** A detailed explanation is attached at ©41-43 for the Council's review.

Since there are no restrictions on the use of the Cable Fund surplus, the Council may wish to consider the following proposals:

Action	Cost	Resulting Fund Balance*
Approve MFP Recommendation	\$111,358	\$1,493,642
Approve PHED Recommendation	\$737,500	\$867,500
Approve Both MFP and PHED	\$848,358	\$756,142
Place Surplus on Reconciliation List	\$745,000	\$860,000
Approve Only Certain Initiatives of PHED Recommendation	Varies	Varies

*Should remain over \$860,000 in FY09, per policy guidance.

Council staff advises that after discussion with the Cable Office, the Cable Office can absorb the \$20,000 cost for Park and Planning cable programming. If the Council wishes to approve both MFP and PHED recommendations and stay above the required \$860,000 fund balance, Council staff recommends cutting cable programming (\$20,000), reducing IT equipment by \$54,000, and reducing Document Management by \$30,000.

The following are expected to attend this worksession:

E. Steven Emanuel, Chief Information Officer, Department of Technology Services
 Amy Wilson, Acting Manager, Office of Cable and Communications

Relevant pages from the Recommended FY09 Operating Budget are attached on ©1-7. This includes a corrected version of the FY09 Cable Communications Plan provided by the Cable Office (© 8-9).

Overview

The Cable Communications Plan consists of three elements: the Cable Office appropriation (\$11,070,000), transfers to the County General Fund (\$3,216,000), and transfers to the County Capital Improvements Program (CIP) (\$2,389,000), for a use of fund resources totaling \$16,675,000. Within the Cable Office appropriation of \$11,070,000, personnel costs comprise 17.8% of the budget for 10 full-time positions at 16.9 workyears. Operating expenses account for the remaining 82.2% of the budget. Table 1 provides an overview of recommended FY09 changes in the Cable Fund.

Table 1. FY09 Cable Fund Overview

(in \$000s)	FY07 Actual	FY08 Approved	FY09 CE Recommended	% Change FY08-09
Total Expenditures for Programs	\$14,108,000	\$15,631,000	\$16,675,000	6.7%
Total Annual Revenues	\$14,284,000	\$14,919,000	\$15,779,000	5.8%
Amount of Surplus/Deficit	\$703,000	(\$712,000)	(\$896,000)	25.9%
Total Resources	\$16,926,000	\$16,200,000	\$18,281,000	12.8%
Fund Balance	\$3,345,000	\$569,000	\$1,605,000	182.1%

Note: The calculations in this budget analysis reflect Council changes made to the Approved FY08 Cable Plan during the fiscal year, including the \$195,000 shift of expenditures to the Cable Plan under the FY08 Savings Plan, and the \$48,000 special appropriation to the Cable Plan, approved on April 15, 2008.

The Executive recommends the addition of one full-time position to provide for a new engineer position under County Cable Montgomery.

Table 2. Summary of Personnel Changes for FY09

	Full-time	Part-time	Comments
New positions for FY09	1		
Positions created during FY08	0		
Abolished positions for FY09	0		
Positions abolished during FY08	0		
Net Change	1		
New Positions created or abolished as a result of the Executive's Proposed Reorganization	n/a		

The FY09 CE recommendation for the Cable Office appropriation is a net increase of \$682,670 over the FY08 approved budget. This net increase includes increase adjustments totaling \$832,670 which are offset by reduction adjustments totaling \$150,000, as shown in Table 3 below.

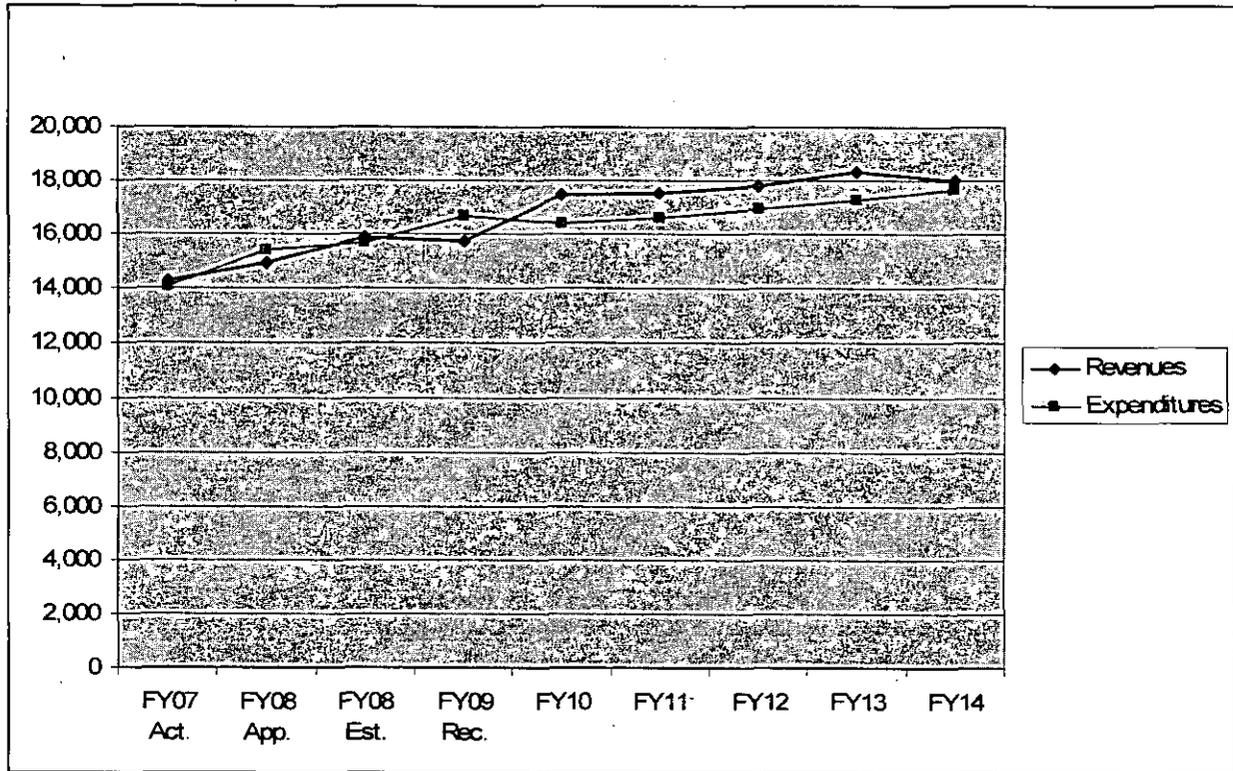
Table 3. FY09 Recommended Changes to the Cable Communications Plan

FY 09 Recommended Changes	Expenditures
Shift: CTC Contract Cost	\$195,000
Increase Cost: Municipal Equipment & Operations	\$140,000
Increase Cost: Municipal Equipment & Operations	\$92,000
Increase Cost: Chargeback Record Adjustment	\$71,080
Increase Cost: New Engineer Position (CCM)	\$69,000
Increase Cost: Municipal Franchise Fee Sharing	\$53,000
Increase Cost: General Wage and Service Increment Adjustments	\$45,200
Increase Cost: PIO - Increase to Production Services Contract (CCM)	\$34,420
Increase Cost: MCT - Inflationary Operating Expenses	\$26,000
Increase Cost: Restore funds shifted from Operating to Personnel	\$25,680
Shift: Increase charges from PIO (CCM)	\$18,830
Shift: Increase charges from County Council (CCM)	\$18,550
Increase Cost: CTC Rate Increase	\$15,300
Increase Cost: Group Insurance Adjustment	\$11,290
Increase Cost: Retirement Adjustment	\$10,070
Increase Cost: MLS Adjustment	\$3,510
Increase Cost: Annualization of FY08 Service Increment	\$2,430
Increase Cost: Printing and Mail Adjustments	\$1,180
Increase Cost: Central Duplicating Deficit Recovery Charge	\$130
Total Increase:	\$832,670
Decrease Cost: Elimination of One-Time Items Approved in FY08 (PEG)	(\$25,000)
Decrease Cost: Elimination of One-Time Items Approved in FY08 (Cable Office)	(\$50,000)
Decrease Cost: Elimination of One-Time Items Approved in FY08 (Other)	(\$75,000)
Total Decrease:	(\$150,000)
Net Change:	\$682,670

Expenditure/Revenue Summary

As Chart 1 on the following page indicates, expenditures are projected to outpace revenues in FY09, although revenues and expenditures are expected to equalize in FY10. Projections in the outyears show revenues again exceeding expenditures.

**Chart 1. Cable Fund FY07-FY14
Expenditures and Revenues (000s)**



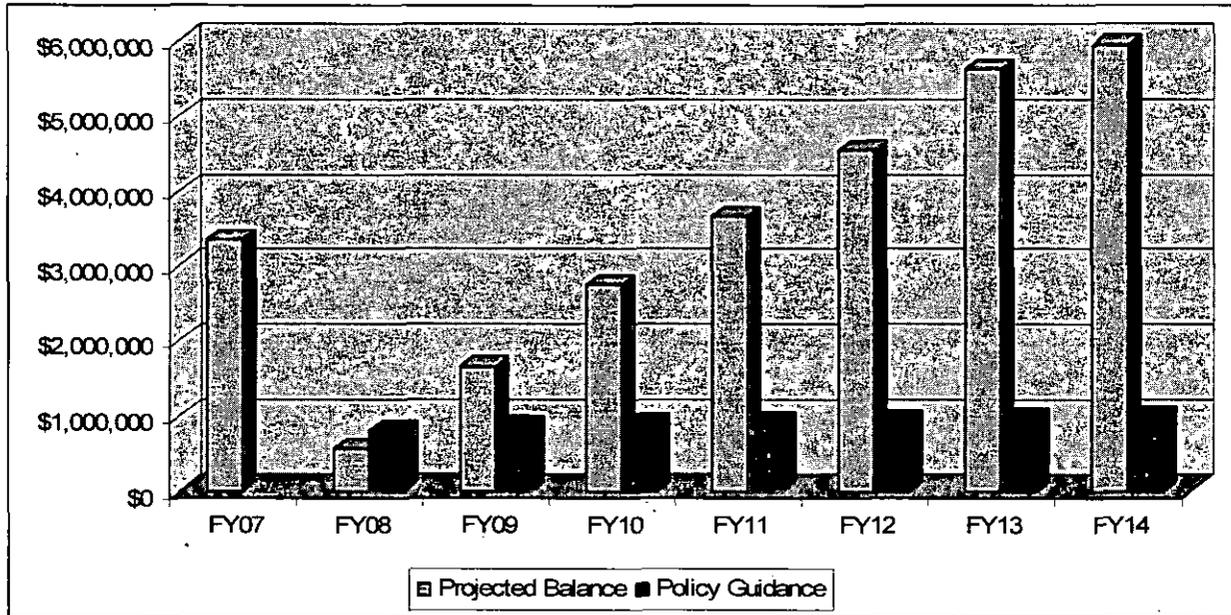
Cable Fund Balance

The revenue shortfall in FY09 is mitigated by an unexpectedly large fund balance. The estimated fund balance for FY08 is expected to be \$3.3 million based on actual FY07 revenue and expenditure results. The FY08 estimated balance is about \$2 million more than the FY08 approved budget had anticipated.

The Cable Plan has a minimum fund balance policy to ensure that resources are reasonably available to provide important services to County residents, and to prepare for unanticipated revenue shortfalls. The unrestricted cash balance is targeted to cover six months of: (1) total personnel, operating, and indirect costs for franchise administration; (2) direct County allocated costs to the Cable TV Special Revenue Fund (currently personnel costs for the County Attorney); and (3) personnel and operating costs for County Cable Montgomery. The Cable Office advises it calculates a minimum fund balance to be at least 8% of core revenues (franchise fees, tower review fees, and interest earned).

In FY09, the fund balance policy guidelines require that a minimum of \$860,000 be maintained in the Cable Fund. After anticipated FY09 expenditures, the fund balance is expected to be \$1,653,000 – almost double the required amount. Chart 2 compares the projected fund balance to the amount required by the fund balance policy.

**Chart 2. Projected Cable Fund Balance
FY07 – FY14 (000s)**



ISSUE: In the past, surplus funds have been used primarily to fund other technology-related projects within County Government, such as providing funding from the Automated Traffic Management System (ATMS) and Maryland-National Capital Park and Planning Commission (M-NCPPC) technology projects discussed above. **Council staff believes the Committee could use a portion of these additional reserves for other technology-related projects.** However, the Cable Office believes that the Cable Fund reserves as proposed by the Executive should be maintained to address the uncertainty the County faces with potential federal cable television as well as future franchise negotiations. Any changes to the County's franchising authority or franchise agreements could result in reduced franchise fee-related revenue. To date, there are no requests for additional funding in the Cable Plan.

Council staff recommends that the Committee examine cable revenue and fund balance issues in more detail after the operating budget has been approved, in future worksessions. The Committee could examine whether the use of franchise fees should be modified to better reflect County cable administration needs, so that the fund balance does not remain excessively high. To address the current fund balance, the Committee could also specifically define the nature of additional technology-related projects that could be funded with the large surplus, as well as define the nature of repayment terms, if any should be required.

FY09 Expenditure Issues

The FY09 Cable Plan shows total expenditures of \$16,675,000. This expenditure level represents a 6.7% increase from the FY08 Approved Cable Plan. The largest FY09 expenditures include CATV (\$11,070,000), the transfer to the General Fund to fund cable for Montgomery

County Public Schools (MCPS) (\$1,614,000), the transfer to the General Fund to fund cable for Montgomery College (\$1,322,000), and the transfer to the CIP Fund (\$2,389,000) for FiberNet and Council Office building renovations.

The Cable Plan has 11 programs that it funds. Table 4 below summarizes expenditures by program area in the Cable Office appropriation.

Table 4: Program Summary: Cable Office Appropriation

Program	Expenditures	Workyears
Cable Franchise Administration & Consumer Protection	\$1,582,990	6.2
Cable Legal Representation – Outside Professional Services	\$502,000	0.5
Community Access to Cable	\$2,652,000	0.0
County Cable Montgomery	2,272,790	7.8
Cable Programming for Public Schools ¹	\$0	0.0
Cable Programming for Montgomery College ²	\$0	0.0
Municipal Cable Franchise Fee Sharing	\$758,000	0.0
Cable Support for Municipal Stations	\$492,000	0.0
PEG Network	\$1,335,900	0.0
FiberNet Operations	\$1,436,190	2.4
Other Cable Activities	\$39,000	0.0
Total	\$11,070,870	16.9

A. Cable Franchise Administration

The budget for franchise administration includes funds for cable management staff, engineering consulting services for ongoing inspection and testing of the cable system, engineering consulting services for the identification and provision of future technologies, and other office operating expenses. Table 5 below summarizes the expenditures for this program in the FY09 recommended budget.

¹ Funds for these services (\$1,614,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to MCPS.

² Funds for these services (\$1,322,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund.

Table 5: Cable Franchise Administration Expenditure Summary

Category	Approved FY08	Rec FY09	\$ Change FY08-FY09	% Change FY08-FY09
Personnel Costs	\$721,000	\$742,000	\$21,000	2.9%
Operating Expenses and Capital Outlay	\$123,000	\$73,000	(\$50,000)	(40.7%)
Engineering/Inspection	\$705,000 ³	\$720,000	\$15,000	2.1%
Indirect Costs Transfer to the General Fund	\$202,000	\$253,000	\$51,000	25.2%
Indirect Costs Transfer to the General Fund (ERP & MCTime)		\$27,000	\$27,000	
Total Franchise Admin Expend	\$1,751,000	\$1,815,000	\$64,000	3.7%

ISSUE: Councilmember Ervin expressed concern about the Cable Office's current organizational structure, noting that there are too many managers for the number of staff supervised. She asked the Cable Office to provide written position descriptions for the two staff members who are temporarily assuming supervisory duties until a new Cable Administrator is appointed. These position descriptions are included in the Cable Office's response on ©45-58. The Committee decided not to make changes in personnel at this time, but to review the Cable Office's organizational structure again once the new Cable Administrator has been appointed. The Cable Office is currently performing an in-depth analysis of its staffing, and will update the Committee later this year.

1. Engineering/Inspection (\$720,000)

The Cable Office currently has a contract with an outside provider to perform engineering support for the County's testing and inspection program. The program includes inspection of the physical cable system plant, system performance testing, and monitoring. The inspection portion of the program examines each phase of the construction process that continues to add new service areas to the system and maintenance and repair of the existing system. To evaluate overall plant construction, inspections are conducted in three phases: in-progress construction; post construction; and reinspection of repairs. The performance testing portion of the program includes: semi-annual proof-of-performance tests; acceptance tests of newly-built and activated segments of the system; and periodic tests of fiber optic connections from the PEG facilities to the cable system's central programming distribution center or headend. These tests are used to monitor compliance of the system with FCC and County technical specifications.

ISSUE: At the April 16 worksession, Committee members were concerned with the significant expenditures for engineering services and asked the Cable Office for a detailed explanation of these contracts, what they covered, and whether it would be more cost-efficient to provide these services in-house. The Cable Office provided a written response that was discussed at the next two worksessions. (©45-58). While the Committee did not recommend any cuts at this time, it did request that the Cable Office provide updates on the use of engineering services during its periodic meetings with the Committee.

³ Includes \$195,000 from the approved FY08 Savings Plan.

2. Indirect Costs Transfer to General Fund (\$253,000)

This item is a transfer to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund and is used to defray expenses incurred by departments providing services to special funds. Funds for these services are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund.

3. Indirect Costs Transfer to General Fund (ERP & MCTime) (\$27,000)

This is a new item for FY09, and is also a transfer to the General Fund to cover the cost of administrative services provided by the County to the Cable Fund. Funds for these services are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund.

B. County Attorney (\$97,000)

This item identifies payments for services rendered by the County Attorney's Office. These payments are based on the standard formula for chargebacks for County government departments. These funds are appropriated in the budget in the Office of the County Attorney and are transferred from the Cable Fund. In FY09, the County Executive recommends appropriating \$97,000, which is an increase of \$16,000 or 19.8% from the FY08 approved amount of \$81,000.

C. Outside Professional Services – Legal and Other (\$405,000)

These funds are used to pay legal and financial consultants for work that requires special expertise. Activities include preparing filings on the County's behalf before the FCC and the Public Services Commission, interpreting legislative proposals, and representing the County in negotiations with providers. In FY09, the County Executive recommends appropriating \$405,000, which is level-funded from the FY08 approved amount.

D. Municipal Cable Franchise Fee Sharing (\$762,000)

Municipalities may receive 70% of the cable franchise fees collected within their jurisdictions. These expenditures represent the quarterly distribution of franchise fees in accordance with current municipal franchise agreements and municipal/County agreements. In FY09, the County Executive recommends appropriating \$762,000, which is an increase of \$53,000 or 7.5% from the FY08 approved amount of \$709,000.

E. Municipal Equipment (\$494,000)

These expenditures provide for equipment acquisition, equipment maintenance, engineering consultation, and operating support for cable television programming services provided by the City of Rockville, the City of Takoma Park, and by the Montgomery County Chapter of the Maryland Municipal League (MML).

In FY09, the County Executive recommends appropriating \$494,000, which is a 39.5% increase from the FY08 approved amount of \$354,000. Table 6 below summarizes the expenditures associated with municipal equipment and operations.

Table 6. Municipal Equipment and Operations Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08-FY09	% Change FY08-FY09
Rockville Equipment	\$54,000	\$98,000	\$44,000	80.9%
Rockville PEG Operating Support	\$64,000	\$67,000	\$3,000	4.6%
Takoma Park Equipment	\$54,000	\$98,000	\$44,000	80.9%
Takoma Park PEG Operating Support	\$64,000	\$67,000	\$3,000	4.6%
MML Equipment	\$54,000	\$98,000	\$44,000	80.9%
MML PEG Operating Support	\$64,000	\$67,000	\$3,000	4.6%
Total	\$354,000	\$494,000	\$140,000	39.5%

F. County Cable Montgomery (CCM) (\$2,273,000)

CCM provides programming for both the Executive and Legislative branches of the County Government Channel. Funding provides salaries and benefits for management and production and for contracts with Montgomery Community Television (MCT) and others for production services.

The Legislative Information Officer for the County Council develops Legislative Branch programming and the County Public Information Officer develops Executive Branch cable programming shown on the County Government Channel. Current Legislative Branch programming includes live and taped Council meetings, weekly and monthly informational programs, documentaries, press conferences, and town hall meetings. Currently, Executive Branch programming includes special events, such as County Executive press conferences and shows featuring government services and activities.

In FY09, the County Executive recommends appropriating \$2,273,000, which is an increase of \$229,000 or 11.2% from the FY08 approved amount of \$2,044,000. Table 7 below summarizes expenditures related to CCM.

Table 7. County Cable Montgomery Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08-FY09	% Change FY08-FY09
Administration				
Personnel Costs	\$304,000	\$397,000	\$93,000	30.6%
Operating	\$25,000	\$31,000	\$6,000	24%
Closed Captioning	\$319,000	\$319,000	\$0	0%
Technical Operations Center	\$23,000	\$23,000	\$0	0%
Arts PEG-AFI	\$0	\$0	\$0	0%
VOD/Community BB/Web Services	\$48,000	\$48,000	\$0	0%
Public Information Office				
Personnel Costs	\$185,000	\$349,000	\$164,000	88.6%
Operating Exp.	\$12,000	\$12,000	\$0	0%
Contracts – TV Production	\$414,000	\$359,000	(\$55,000)	(13.3%)
County Council				
Personnel Costs	\$36,000	\$57,000	\$21,000	58.3%
Operating Expenses	\$48,000	\$48,000	\$0	0%
Contracts – TV Production	\$452,000 ⁴	\$404,000	(\$48,000)	(10.6%)
M-NCPPC				
Personnel Costs	\$81,000	\$81,000	\$0	0%
Operating Expenses	\$21,000	\$21,000	\$0	0%
Contracts – TV Production	\$124,000	\$124,000	\$0	0%
Total CCM Expenditures	\$2,092,000	\$2,273,000	\$181,000	8.7%

1. Administration - Personnel Costs (\$397,000)

In FY09, the County Executive recommends appropriating \$397,000 for this item, which is a \$93,000 or 30.6% increase from the FY08 approved amount of \$304,000. This increase reflects the addition of one full-time engineer position to assist with video production. Currently, CCM has one engineer who provides support for these functions; however, the workload is such that the current staff position is not sufficient to provide required services without incurring substantial overtime.

2. Administration – Operating Costs (\$6,000)

In FY09, the County Executive recommends appropriating \$31,000 for this item, which is a \$6,000 or 24% increase from the FY08 approved amount of \$25,000. This increase is due to office equipment required by the new engineer position.

3. Administration – Closed Captioning (\$319,000)

In FY09, the County Executive recommends appropriating \$319,000 for this item, which is level-funded from FY08. In FY08, the Council appropriated an additional \$50,000 for this line

⁴ Assumes approval of the \$48,000 special appropriation requested to continue televising Council meetings and related programming through the remainder of FY08. Hearing/action on the special appropriation was scheduled for April 15, 2008.

item, which was used to enable CCM to provide 133 hours of broadcasts with closed captioning in Spanish.

4. Administration – Technical Operations Center (\$23,000)

In FY09, the County Executive recommends appropriating \$23,000 for this item, which is level-funded from the FY08 approved amount of \$23,000.

5. Arts PEG – American Film Institute (AFI) (\$0)

In FY03, \$50,000 was allocated to CCM for the development and production of programming in conjunction with the AFI Silver Theatre project. These funds were used to support an AFI update/promotional segment on each episode of “Coming Attractions.” The Executive has not recommended funds for this line item.

6. Video on Demand, Community Broadband, and Web Services (\$48,000)

This funding provides video on demand for all of CCM’s programming. Programs are available for two weeks after their cablecast date, and the bulletin board is updated every two weeks. There are no recommended changes in FY09 to the expenditures for this line item.

7. Public Information Office – Personnel Costs (\$349,000)

In FY09, the County Executive recommends appropriating \$349,000 for this item, which is an increase of \$93,000 or 30.6% from the FY08 approved amount of \$304,000. This increase stems from a FY08 mid-year increase of 1.2 and FY09 increase of 0.2 workyears charged to the Cable Fund.

8. Public Information Office – Contracts – TV Production (\$359,000)

CCM continues to increase and enhance programming offerings such as “Welcome Montgomery”, which is a half-hour show that provides information about County programs and services for all residents, with particular focus on reaching individuals who are new to the County. In FY09, the County Executive recommends appropriating \$359,000 for this item, which is a reduction of \$55,000 or 13.3% from the FY08 approved amount of \$414,000. The reduction reflects the mid-FY08 shift of operating expenses to personnel costs when a contractual employee was made permanent staff.

9. County Council – Personnel Costs (\$57,000)

In FY09, the County Executive recommends appropriating \$57,000 for this item, which is an increase of \$21,000 or 58.3% from the FY08 approved amount of \$36,000.

10. County Council – Contracts – TV Production (\$404,000)

In FY09, the County Executive recommends appropriating \$404,000 for this item, which is level-funded from the FY08 approved amount.

ISSUE: The Cable Programming Unit for the County Council’s Office of Legislative Information is requesting \$111,358 above the County Executive’s recommended FY09 appropriation of \$404,000 for a total amount of \$515,358 (© 40). This request is in part due to the requested \$48,000 special appropriation for FY08 to cover increased televised coverage of Council meetings and other programs. According to the Legislative Information Office, the increase reflects the cost of a full-time post-production editor and a full-time videographer, replacing the use of freelance shooters. The increased funding will provide for increased coverage of Council committee sessions by at least 25 additional meetings in FY09. The Committee recommends supporting this request.

11. M-NCPPC (\$226,000)

In FY09, the County Executive recommends appropriating \$226,000 for M-NCPPC, which is level-funded from the FY08 approved amount. The funds are used to cover Planning Board meetings. These expenditures were previously budgeted under the County Council line item, but at the Council’s request, the funds have been accounted for separately beginning with the FY08 approved Cable Plan.

G. Montgomery College (\$1,322,000)

The Instructional Television Unit of Montgomery College is responsible for the cable programming available on the Montgomery College Channel (both cable and College funds provide for staff, equipment, and operating expenses). The channel features acquired and originally produced instructional programming, which directly supports the College’s distance learning programs and provides professional development and self-enrichment opportunities for community subscribers.

In the FY09 Cable Plan, the Executive recommends allocating \$1,322,000 for Montgomery College, which is an increase of \$103,000 or 8.4% from the FY08 approved amount. This amount is not appropriated in the Cable Office, but is transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund. Table 8 below summarizes the Executive’s recommended appropriation.

Table 8. Montgomery College Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08-FY09	% Change FY08-FY09
Personnel Costs	\$1,000,000	\$1,103,000	\$103,000	10.3%
Operating Expenses	\$219,000	\$219,000	\$0	0%
Total	\$1,219,000	\$1,322,000	\$103,000	8.4%

This transfer consists of the same level of service and reflects annualization of a full-time position added in FY08 as well as salary and benefit increases.

H. Montgomery County Public Schools (\$1,614,000)

The MCPS Department of Communications and Public Information is responsible for programming two channels. Cable television funding from this special revenue fund partially provides for programming, channel management, and production of instructional television programs. Additional funds are requested in the operating budget of the public schools. MCPS programming includes Board of Education meetings, in-class student programs, technology training, and televised instruction in a variety of academic areas.

Funds for these services are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the MCPS Cable Fund. Table 9 below summarizes the Executive’s recommended appropriation.

Table 9. Montgomery County Public Schools Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08-FY09	% Change FY08-FY09
Personnel Costs	1,234,000	1,339,000	105,000	8.5%
Operating Expenses	287,000	275,000	12,000	(4.2%)
Total	1,521,000	1,614,000	93,000	6.1%

I. Community Access Organizations (\$2,652,000)

The Cable Office currently administers a contract with MCT to operate two channels on the cable television system. MCT’s primary mission is to encourage and sponsor television programming and broadband media that meets community needs and offers forums for free expression. MCT’s programmatic services include public access training and access to production equipment and facilities for County residents and community groups to create programming of their choice. MCT also produces local programming designed to address community needs. In FY07, MCT provided over 885 hours of original local programming. MCT cablecast more than 1,400 programs resulting in over 7,203 hours of programming. Table 10 below summarizes the Executive’s recommended appropriation.

Table 10. Community Access Organizations Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08-FY09	% Change FY08-FY09
Personnel Costs	\$1,779,000	\$1,871,000	\$92,000	5.2%
Operating Expenses	\$755,000	\$781,000	\$26,000	3.4%
Total	\$2,534,000	\$2,652,000	\$118,000	4.7%

In FY09, the County Executive recommends appropriating \$2,652,000 for this item, which is an increase of \$118,000 or 4.7% from the FY08 approved amount of \$2,534,000. This increase reflects negotiated personnel cost increases and inflation in operating expenses.

J. PEG Network

The mission of the PEG Network is to facilitate collaboration among the local access channel operators in delivering and promoting the most effective public access media services, educational and government programming to the Montgomery County community using current and emerging technologies. Recommended FY09 expenditures are itemized in Table 11 below.

Table 11. PEG Network Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08 – FY09	% Change FY08-FY09
PEG Equipment Replacement	\$900,000	\$900,000	\$0	0%
Emergency Equipment Reserve	\$80,000	\$80,000	\$0	0%
PEG Network Engineering & Admin	\$40,000	\$40,000	\$0	0%
Community Programming	\$100,000	\$100,000	\$0	0%
PEG Promotion	\$35,000	\$35,000	\$0	0%
PEG Network Operating	\$125,000	\$100,000	(\$25,000)	(20%)
Mobile Production Vehicle	\$82,000	\$82,000	\$0	0%
Total	\$1,362,000	\$1,337,000	(\$25,000)	(1.8%)

ISSUE: Councilmember Ervin asked about the overall management of the PEG network, asking that if the County started from scratch, what should the model look like? PEG representatives indicated that members need to do a better job with pooling resources on training, purchasing equipment, and other services. In addition, there has to be more accountability among PEG members. PEG representatives will brief the Committee on progress made in these areas at the quarterly cable updates.

1. PEG Equipment Replacement (\$900,000)

These expenditures provide for the purchase of replacement equipment for PEG channel operators. The cable equipment replacement fund is the only funding source that CCM, MCT, Montgomery College, and MCPS have for equipment replacement. The resources from this fund are primarily used for the conversion to the digital format; however, organizations must also use these funds for the replacement or enhancement of peripheral and ancillary equipment, such as tripods, microphones, intercoms, lighting, and test equipment. Eliminating purchases not tied to the digital conversion would impede replacement of outdated equipment and limit the equipment resources necessary for programming enhancements.

The Cable Office administers funds appropriated for PEG equipment replacement. Purchases are based on recommendations offered by the PEG Network and are titled to the Montgomery County Government, which may, under appropriate controls, allocate equipment for the use of individual PEG channels. In FY09, the County Executive recommends appropriating \$900,000 for this item, which is level-funded from FY08.

2. PEG Equipment Reserve (\$80,000)

This is a reserve fund that is used to acquire the equipment necessary to prevent a channel from “going dark” in the event of a major equipment failure. In FY07, the Council increased this appropriation from \$50,000 to \$80,000 because, although the cost of the technology required to keep the channel from going dark has increased, this fund had not kept pace with those changes.

In FY09, the County Executive recommends appropriating \$80,000 for this item, which is level-funded from FY08.

3. PEG Network Engineering and Administration (\$40,000)

This item permits the Cable Office to secure engineering support for PEG channels on matters such as equipment acquisition and technical standards. Consulting services include system analysis, troubleshooting, hardware and software systems analysis, and equipment and component maintenance and repair. This request supports the PEG Network’s strategic plan (© 18-21). Engineering support has been provided to CCM, MCT, Rockville, and Takoma Park.

In FY09, the County Executive recommends appropriating \$40,000 for this item, which is level-funded from FY08.

4. Community Programming (\$50,000)

The Council first appropriated these funds in FY99 to give cable access to community organizations. The PEG Network requested that these funds be used by CCM and MCT to jointly produce a news magazine format show entitled “Coming Attractions”, which incorporates regular segments on the arts, children’s activities, library information, education news, and public safety. The show, which is jointly produced by the Cable Office and MCT, also spotlights local artists, authors, musicians, and other performers and focuses on upcoming events. These funds are required to continue producing “Coming Attractions.”

5. PEG Promotion (\$35,000)

These funds help the PEG Network continue its five-year plan (© 18-21). The PEG Network contracts for professional marketing services that provide advertisements, printed information materials, promotional items, media buys, public service announcements, annual report production, and participation in strategic community events.

6. PEG Network Operating (\$100,000)

This fund consolidates resources for cooperative efforts between the PEG Channels including administration, production, programming, and training. These funds provide joint staff training and programming. In FY09, the County Executive recommends appropriating \$100,000 for this item, which is a reduction of \$25,000 or 20% from the FY08 approved amount of \$125,000.

7. Mobile Production Vehicle (\$82,000)

In FY06, the Council approved \$595,000 to purchase a mobile production vehicle, which is used to cablecast local arts, sporting events, and public meetings. The actual expenditure in FY06 for the mobile production vehicle was \$593,000. Continuing costs are necessary for vehicle operations and staffing support, initial signage on the new vehicle, fuel and vehicle maintenance, vehicle generator maintenance, and Fleet Management's vehicle replacement program.

K. Other (\$39,000)

As a Special Taxing District, the Village of Friendship Heights is not permitted to be a municipal co-franchisor to the cable agreements and is therefore not eligible to receive cable franchise fees. In FY99, the Council began appropriating funds to Friendship Heights for cable programming and equipment expenses.

L. Institutional Telecommunications (\$3,865,000)

In prior years, funds for FiberNet operations were not appropriated in the Cable Office, but were transferred from the Cable Fund to the General Fund to cover the operations and maintenance of FiberNet. In FY02, the Cable Office was moved from the Department of Housing and Community Affairs to the Department of Technology Services (DTS). The FY07 recommended amount reflects the large portion of the operations and maintenance of the FiberNet system that DTS oversees. The remaining amount will continue to be transferred to the General Fund to cover the operations and maintenance that occurs outside of DTS. Funding for FiberNet operations will be reviewed as part of the DTS budget. Table 12 below summarizes the Executive's FY09 recommended expenditures for institutional telecommunications.

Table 12. Institutional Telecommunications Expenditure Summary

	FY08 Approved	FY09 Recommended	\$ Change FY08-FY09	% Change FY08-FY09
FiberNet Support (DTS)	\$1,182,000	\$1,232,000	\$50,000	4.2%
FiberNet Support (DPWT)	\$249,000	\$244,000	(\$5,000)	(2.0%)
FiberNet CIP	\$1,735,000	\$1,760,000	\$25,000	1.4%
Verizon-Cable Service to Public Buildings	\$0	\$0	\$0	0%
Advanced Transportation Management System – CIP	\$0	\$0	\$0	
COB Renovations – CIP	\$323,000	\$0	(\$323,000)	
Park and Planning Technology Projects	\$75,000	\$0	(\$75,000)	(100%)
Total	3,564,000	\$3,236,000⁵	(\$328,000)	(9.2%)

⁵ According to the Cable Office, the Cable Fund allocation for the COB Renovation CIP Project #010100 was appropriated in full in FY08. The FY08 Estimated column in the FY09 County Executive's Recommended Cable Plan should be corrected to reflect \$952,000 for COB renovations and the Recommended FY09 column should be reduced to \$0 (©11).

1. FiberNet – CIP (\$1,182,000)

From FY01 to FY08, \$17 million was allocated from the Cable Fund to finance FiberNet. The FY09 Cable Plan shows an appropriation of \$1,760,000 in FY09, which is what is provided in the PDF for this project (©10).

2. COB Renovations (\$629,000)

This project will renovate the hearing room, conference room, and anteroom on the third floor of the Council Office Building. These rooms have not been renovated in at least 30 years. The basic structure of the rooms will be retained, but the renovation will improve disability access and upgrade the HVAC, lighting, and audio-visual systems.

3. Park and Planning Technology Projects (\$0)

In FY07, the Council allocated \$284,000 to fund technology projects for the Montgomery County portion of the M-NCPPC Operating Budget. These funds must be repaid to the Cable Fund. There is not another transfer of this type recommended in the FY09 Cable Plan.

FY09 Revenue Issues

In FY09, revenues from franchise fees, grants, interest, and tower fees are estimated at \$15,779,000, which is a 5.8% increase from the FY08 approved amount. FY08 estimated revenues are approximately \$932,000 higher than the approved FY08 revenues, primarily due to higher-than-anticipated franchise fee revenues. Franchise fees have increased based on initially conservative estimates of Verizon’s newly-approved franchise, increased fees from advanced services, and higher cable rates. The Executive’s FY09 Cable Plan projects franchise fees at \$10.6 million, which is 7.5% over the FY08 Approved revenues and 2.7% more than FY08 Estimated revenues. Table 13 below summarizes revenue projections for the FY07-FY14 Cable Plan.

Table 13. Revenue Projections for the Cable Plan FY07-FY14 (000s)

Revenue Item	FY07 Act.	FY08 Appr.	FY08 Est.	FY09 Rec.	FY10	FY11	FY12	FY13	FY14
5% Franchise Fee	\$9,547	\$9,849	\$10,296	\$10,584	\$10,881	\$11,186	\$11,499	\$11,821	\$12,152
G'Burg PEG Contrib.	\$193	\$192	\$196	\$201	\$207	\$213	\$219	\$225	\$231
PEG Support	\$2,167	\$2,207	\$2,734	\$2,811	\$2,889	\$2,970	\$3,503	\$3,138	\$3,226
PEG Capital/Equip	\$239	\$246	\$248	\$255	\$262	\$269	\$277	\$285	\$293
Verizon Grant	\$250	\$200	\$200	\$200	\$200	\$200	\$0	\$0	\$0
FiberNet Support	\$1,474	\$1,518	\$1,525	\$1,568	\$1,612	\$1,657	\$1,703	\$1,751	\$1,800
Interest Earned	\$151	\$200	\$120	\$80	\$120	\$140	\$160	\$180	\$200
Tower Review Fees	\$186	\$75	\$75	\$80	\$82	\$84	\$86	\$88	\$90
Misc	\$77	\$0	\$25	\$0	\$0	\$0	\$0	\$0	\$0
GF Transfer	\$0	\$432	\$432	\$0	\$1,232	\$832	\$832	\$832	0
Total Revenues	\$14,284	\$14,919	\$15,851	\$15,779	\$17,485	\$17,551	\$17,829	\$18,320	\$17,992

Resolution 15-1477 (© 24-30) requires the FY04 Fund Transfer, the FY06 funding for the ATMS, and the FY07 funding for technology projects for the Montgomery County portion of the M-NCPPC be repaid without interest according to the following schedule: \$832,000 annually

beginning in FY08 and continuing through FY12 for a total of \$4,160,000. The County Executive repaid \$432,000 in FY08 instead of the required \$832,000. The Executive has recommended that no repayment be made in FY09.

Committee Recommendation

The Committee supports the recommended FY09 budget as submitted by the Executive with the following change: add \$111,358 to County Cable Montgomery to fund additional Council meetings and related programs throughout FY09. If this item is funded, Cable Fund expenditures would increase to \$16,786,000 and the fund balance would be \$1,494,000.

<u>This Packet Contains:</u>	©
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Cable Communications Plan

MISSION STATEMENT

The mission of the Cable Communications Plan is to manage the County's Cable Television Franchise Agreements and the Cable Special Revenue Fund to ensure that cable services in Montgomery County are of high quality; that applicable consumer protection is enforced; that quality Public, Educational, and Governmental (PEG) programming is provided; and that related telecommunication issues are coordinated and monitored.

BUDGET OVERVIEW

The Cable Communications Plan consists of three elements: the Cable Office appropriation (\$11,070,000), transfers to the County General Fund (\$3,216,000), and transfers to the County Capital Improvements Program (CIP) (\$2,389,000) for a total use of fund resources of \$16,675,000. Within the Cable Office appropriation of \$11,070,000, Personnel Costs comprise 17.8 percent of the budget for ten full-time positions at 16.9 workyears. Operating Expenses account for the remaining 82.2 percent of the FY09 budget.

In FY09, there are three transfers to the General Fund for the following:

- Montgomery College - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund. This transfer of \$1,322,000 is an increase of \$103,000 or 8.4 percent over the FY08 amount of \$1,219,000.
- Montgomery County Public Schools - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Cable Fund. This transfer of \$1,614,000 is an increase of \$93,000 or 6.1 percent over the FY08 amount of \$1,521,000.
- Indirect Costs - Funds are transferred to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund. This transfer of \$280,000 is used to defray expenses incurred by departments providing services to special funds.

In addition, the department's budget includes Current Revenue funding for the Capital Improvements Program (CIP).

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ *A Responsive, Accountable County Government*
- ❖ *Vital Living for All of Our Residents*

PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

Measure	Actual FY06	Actual FY07	Estimated FY08	Projected FY09	Projected FY10
Total Montgomery County Cable Office revenues	13,151	14,240	14,919	16,086	16,073
Montgomery County Cable non-franchise revenues (\$000)	4,083	4,677	4,973	5,743	5,316
Montgomery County Cable Franchise revenues (\$000)	9,068	9,563	9,946	10,343	10,757
Cable survey response rate	36	36	36	38	39
Percent of Cable customer complaints resolved satisfactorily	92	94	95	92	95

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Completed franchise negotiations with Verizon bringing much needed cable competition to County residents.*
- ❖ *In 2007, the Cable Office filed a total of 1,723 formal complaints, with fifty percent of those cases receiving a credit/refund from the provider. Of those complainants who received a credit/refund, \$110.50 was the average per case. The Cable Office secured a total \$95,804.46 in credits/refunds.*

- ❖ *Continued to increase and enhance PEG programming offerings. Many programs are closed captioned or produced in languages other than English.*
- ❖ *Continued partnerships with the Montgomery County Business Roundtable for Education (MCBRE), the Gilchrist Center for Cultural Diversity, and local television station WDCW resulted in increased programming and grants for the purchase of new equipment.*
- ❖ *Members of the PEG Network received numerous national awards for programming.*
- ❖ *In FY09 increased engineering support will be provided for County Cable Montgomery.*
- ❖ **Productivity Improvements**
 - *Implemented a paperless complaint handling process resulting in increased effectiveness, and improved data management while reducing staff time and resources.*
 - *Improved the look and functionality of the Cable Office's website pages, allowing increased accessibility to County information while reducing staff time and resources.*
 - *Acquisition of the PEG Network mobile production vehicle has made it possible to increase coverage of community events, improve production capabilities, and reduce costs.*

PROGRAM CONTACTS

Contact Amy Wilson of the Cable Television Office at 240.777.3684 or Jennifer R. Bryant of the Office of Management and Budget at 240.777.2761 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Cable Franchise Administration & Consumer Protection

The Department of Technology Services is responsible for administering the Cable Television Agreements for the County and participating municipalities. The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing the franchise renewal and transfer process;
- Investigating and resolving subscriber complaints;
- Administering the contracts to provide for public access to cable production services;
- Providing liaison, support, and record keeping on performance of the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting franchise fees, grants, and other payments to the County;
- Distributing franchise fees, grants, and other payments to the participating municipal co-franchisors;
- Directing and coordinating the Telecom Facilities Siting Committee;
- Supporting the Cable and Communications Advisory Committee;
- Resolving issues regarding cable and communications technology for Montgomery County government;
- Monitoring and commenting on changes in State and Federal telecom regulations, rate structure, and related legislative issues;
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed franchises for use of the public right-of-way.

The budget for franchise administration includes funds for cable management staff, office operating expenses and engineering consulting services for ongoing inspection and testing of the cable systems, and the identification and provision of future technologies.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	1,374,330	6.2
Shift: Columbia Telecommunications (CTC) Contract Cost	195,000	0.0
Increase Cost: Chargeback Record Adjustment	71,080	0.0
Increase Cost: Columbia Telecommunications Contract Rate Increase	15,300	0.0
Increase Cost: MLS Adjustment	3,510	0.0
Increase Cost: Annualization of FY08 Service Increment	2,430	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge	130	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-50,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-28,790	0.0
FY09 CE Recommended	1,582,990	6.2

Cable Legal Representation - Outside Prof. Services

Funds will be used to pay legal and financial consultants for work which requires special expertise. Activities include the preparation of filings on behalf of the County before the Federal Communications Commission, interpretation of legislative proposals, and County representation in negotiations with cable and telecommunications service providers, rate regulation, and franchise compliance.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	486,000	0.5
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	16,000	0.0
FY09 CE Recommended	502,000	0.5

Community Access to Cable

The Office of Cable Communications administers a contract with Montgomery Community Television (MCT) through which MCT operates two channels on the cable television systems. MCT's primary mission is to encourage and sponsor television programming and broadband media that meet community needs and offer forums for free expression. MCT's programmatic services include public access training, volunteer services, and access to production equipment and facilities for County residents and community groups to create programming of their choice. MCT staff also produces local community programming designed to address community needs.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	2,534,000	0.0
Increase Cost: Montgomery Community TV - Negotiated Personnel Cost Increases	92,000	0.0
Increase Cost: Montgomery Community TV - Inflationary Operating Expenses	26,000	0.0
FY09 CE Recommended	2,652,000	0.0

County Cable Montgomery

The Office of Cable Communications in the Department of Technology Services manages County Cable Montgomery (CCM), the government access channel. CCM airs programming produced by the Executive and Legislative branches to keep viewers abreast of County programs and services for the residents, visitors, and businesses in the community. The County Council's Information Officer develops programming for the Legislative Branch. Broadcasts include live Council meetings, informational programs, documentaries, press conferences, and town hall meetings. The Office of Public Information develops Executive Branch programming which includes special events, press conferences, and programs highlighting County services and activities. CCM is also responsible for monitoring the cablecast signals for the Montgomery County Public, Education, and Government access channels.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	2,051,100	5.4
Increase Cost: New Engineer Position	69,000	0.8
Increase Cost: PIO - Increase to Production Services contract	34,420	0.0
Increase Cost: Restore funds shifted from operating to personnel	25,680	0.0

	Expenditures	WYs
Shift: Increase charges from PIO	18,830	0.2
Shift: Increase charges from County Council	18,550	0.2
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	55,210	1.2
FY09 CE Recommended	2,272,790	7.8

Cable Programming for Public Schools

The Montgomery County Public Schools (MCPS) Department of Communications (Instructional TV Unit) has the responsibility for programming two cable channels. Cable TV funding from this special revenue fund partially provides for programming, channel management, and production of instructional, community-based, staff development, and training television programs. Additional funds are requested in the operating budget of the public schools. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, live call-in programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas which are often produced utilizing a multi-language approach, including the use of closed captioning.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	0	0.0
FY09 CE Recommended	0	0.0

Notes: Funds for these services (\$1,614,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Fund.

Cable Programming for Montgomery College

The Instructional Television and Media Production Services Unit of Montgomery College is responsible for the cable programming available on the Montgomery College channel (both cable and College funds provide for staff, equipment, and operating expenses) and provides digital media support services for the College community. The channel features acquired and originally produced instructional programming which directly supports the College's distance learning and instructional programs and provides professional development and self-enrichment opportunities for community subscribers.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	0	0.0
FY09 CE Recommended	0	0.0

Notes: Funds for these services (\$1,322,000) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund.

Municipal Cable Franchise Fee Sharing

These expenditures represent the quarterly distribution of franchise fees in accordance with current Municipal Franchise Agreements and Municipal/County Agreements.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	705,000	0.0
Increase Cost: Municipal Franchise Fee Sharing	53,000	0.0
FY09 CE Recommended	758,000	0.0

Cable Support for Municipal Stations

Expenditures provide for equipment acquisition, equipment maintenance, engineering consultation, and operating support for cable television programming services provided by the City of Rockville, the City of Takoma Park, and the Montgomery County Chapter of the Maryland Municipal League (MML) as required by the franchise agreements. Totals approved for each entity are shown in the Cable Communications Plan.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	352,000	0.0
Increase Cost: Municipal Equipment & Operations (CPI% increase)	140,000	0.0
FY09 CE Recommended	492,000	0.0

PEG Network

The mission of the PEG Network is to facilitate collaboration among the local access channel operators in delivering and promoting the most effective public access media services, as well as educational and government programming, to the Montgomery County community using current and emerging technologies.

The budget for the PEG Network includes funds for the purchase of equipment and an emergency reserve to be used in the event of imminent system failure for certain PEG operations; PEG engineering support; promotion/outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; and general operating and administrative expenses.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	1,360,900	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-25,000	0.0
FY09 CE Recommended	1,335,900	0.0

FiberNet Operations

Monies from the Cable Special Revenue Fund are used to support Montgomery County's private communications network – FiberNet. FiberNet is a carrier class voice, video and data network that is used by the Montgomery County Government, Public Schools, Montgomery College, Housing Opportunities Commission (HOC), the Maryland-National Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). Expenditures cover the cost of network monitoring, management, and maintenance services. FiberNet is a countywide multi-million dollar investment that is crucial to the daily operation of local government within Montgomery County.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	1,410,870	2.4
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	25,320	0.0
FY09 CE Recommended	1,436,190	2.4

Other Cable Activities

Grants are provided to outside organizations for cable programming and equipment.

FY09 Recommended Changes

	Expenditures	WYs
FY08 Approved	114,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08	-75,000	0.0
FY09 CE Recommended	39,000	0.0

BUDGET SUMMARY

	Actual FY07	Budget FY08	Estimated FY08	Recommended FY09	% Chg Bud/Rec
CABLE TELEVISION					
EXPENDITURES					
Salaries and Wages	1,036,950	1,238,790	1,282,660	1,506,710	21.6%
Employee Benefits	337,189	370,950	384,090	461,600	24.4%
Cable Television Personnel Costs	1,374,139	1,609,740	1,666,750	1,968,310	22.3%
Operating Expenses	7,544,800	8,778,460	9,042,530	9,102,560	3.7%
Capital Outlay	43,680	0	0	0	—
Cable Television Expenditures	8,962,619	10,388,200	10,709,280	11,070,870	6.6%
PERSONNEL					
Full-Time	9	9	9	10	11.1%
Part-Time	0	0	0	0	—
Workyears	14.3	14.5	14.5	16.9	16.6%
REVENUES					
Franchise Fees 5%	9,780,860	9,849,000	10,296,000	10,584,000	7.5%
Gaithersburg PEG Contribution	94,012	192,000	196,000	201,000	4.7%
PEG Capital Revenue	239,416	246,000	248,000	255,000	3.7%
PEG Operating Revenue	2,216,163	2,207,000	2,734,000	2,811,000	27.4%
I-Net Operating Revenue	1,473,824	1,518,000	1,525,000	1,568,000	3.3%
Tower Application Fees	185,500	75,000	75,000	80,000	6.7%
Investment Income	151,200	200,000	120,000	80,000	-60.0%
Verizon-Grant	250,000	200,000	200,000	200,000	—
Miscellaneous	25,000	0	25,000	0	—
Cable Television Revenues	14,415,975	14,487,000	15,419,000	15,779,000	8.9%

FY09 RECOMMENDED CHANGES

	Expenditures	WYs
CABLE TELEVISION		
FY08 ORIGINAL APPROPRIATION	10,388,200	14.5
Other Adjustments (with no service impacts)		
Shift: Columbia Telecommunications (CTC) Contract Cost [Cable Franchise Administration & Consumer Protection]	195,000	0.0
Increase Cost: Municipal Equipment & Operations (CPI% increase) [Cable Support for Municipal Stations]	140,000	0.0
Increase Cost: Montgomery Community TV - Negotiated Personnel Cost Increases [Community Access to Cable]	92,000	0.0
Increase Cost: Chargeback Record Adjustment [Cable Franchise Administration & Consumer Protection]	71,080	0.0
Increase Cost: New Engineer Position [County Cable Montgomery]	69,000	0.8
Increase Cost: Municipal Franchise Fee Sharing [Municipal Cable Franchise Fee Sharing]	53,000	0.0
Increase Cost: General Wage and Service Increment Adjustments	45,200	0.0
Increase Cost: PIO - Increase to Production Services contract [County Cable Montgomery]	34,420	0.0
Increase Cost: Montgomery Community TV - Inflationary Operating Expenses [Community Access to Cable]	26,000	0.0
Increase Cost: Restore funds shifted from operating to personnel [County Cable Montgomery]	25,680	0.0
Shift: Increase charges from PIO [County Cable Montgomery]	18,830	0.2
Shift: Increase charges from County Council [County Cable Montgomery]	18,550	0.2
Increase Cost: Columbia Telecommunications Contract Rate Increase [Cable Franchise Administration & Consumer Protection]	15,300	0.0
Increase Cost: Group Insurance Adjustment	11,290	0.0
Increase Cost: Retirement Adjustment	10,070	0.0
Increase Cost: MLS Adjustment [Cable Franchise Administration & Consumer Protection]	3,510	0.0
Increase Cost: Annualization of FY08 Service Increment [Cable Franchise Administration & Consumer Protection]	2,430	0.0
Increase Cost: Printing and Mail Adjustments	1,180	0.0
Increase Cost: Central Duplicating Deficit Recovery Charge [Cable Franchise Administration & Consumer Protection]	130	0.0
Shift: Technical adjustment to the Cable Fund from PIO	0	1.2
Decrease Cost: Elimination of One-Time Items Approved in FY08 [PEG Network]	-25,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08 [Cable Franchise Administration & Consumer Protection]	-50,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY08 [Other Cable Activities]	-75,000	0.0
FY09 RECOMMENDED:	11,070,870	16.9

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PROGRAM SUMMARY

	FY08 Approved		FY09 Recommended	
	Expenditures	WYs	Expenditures	WYs
Cable Franchise Administration & Consumer Protection	1,374,330	6.2	1,582,990	6.2
Cable Legal Representation - Outside Prof. Services	486,000	0.5	502,000	0.5
Community Access to Cable	2,534,000	0.0	2,652,000	0.0
County Cable Montgomery	2,051,100	5.4	2,272,790	7.8
Cable Programming for Public Schools	0	0.0	0	0.0
Cable Programming for Montgomery College	0	0.0	0	0.0
Municipal Cable Franchise Fee Sharing	705,000	0.0	758,000	0.0
Cable Support for Municipal Stations	352,000	0.0	492,000	0.0
PEG Network	1,360,900	0.0	1,335,900	0.0
FiberNet Operations	1,410,870	2.4	1,436,190	2.4
Other Cable Activities	114,000	0.0	39,000	0.0
Totals	10,388,200	14.5	11,070,870	16.9

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY09	FY10	FY11	FY12	FY13	FY14
(\$000's)						
This table is intended to present significant future fiscal impacts of the department's programs.						
CABLE TELEVISION						
Expenditures						
FY09 Recommended	11,071	11,071	11,071	11,071	11,071	11,071
No inflation or compensation change is included in outyear projections.						
Annualization of Positions Recommended in FY09	0	13	13	13	13	13
New positions in the FY09 budget are generally lapsed due to the time it takes a position to be created and filled. Therefore, the amounts above reflect annualization of these positions in the outyears.						
Elimination of One-Time Items Recommended in FY09	0	-6	-6	-6	-6	-6
Items approved for one-time funding in FY09, including computer equipment for the Engineer position, will be eliminated from the base in the outyears.						
Labor Contracts	0	47	49	49	49	49
These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits.						
Subtotal Expenditures	11,071	11,125	11,127	11,127	11,127	11,127

ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY09 Recommended		FY10 Annualized	
	Expenditures	WYs	Expenditures	WYs
Increase Cost: New Engineer Position [County Cable Montgomery]	63,000	0.8	76,420	1.0
Total	63,000	0.8	76,420	1.0

FY09 CABLE COMMUNICATIONS PLAN (\$000's)

SCHEDULED EXPENDITURES	Actual FY07	Approved FY08	Estimated FY08	Recommended FY09	% Chg					
					From '08 Plan	FY10	FY11	FY12	FY13	FY14
BEGINNING FUND BALANCE	2,642	1,281	3,345	2,550	99.0%	1,653	2,751	3,668	4,557	5,625
REVENUES										
5% Franchise Fee	9,547	9,849	10,296	10,584	7.5%	10,881	11,186	11,499	11,821	12,152
G'Burg PEG Contribution	193	192	196	201	4.9%	207	213	219	225	231
PEG Support	2,167	2,207	2,734	2,811	27.3%	2,889	2,970	3,053	3,138	3,226
PEG Capital/Equipment	239	246	248	255	3.6%	262	269	277	285	293
Verizon-Grant	250	200	200	200	0.0%	200	200	0	0	0
FiberNet Support	1,474	1,518	1,525	1,568	3.3%	1,612	1,657	1,703	1,751	1,800
Interest Earned	151	200	120	80	-60.0%	120	140	160	180	200
Tower Review Fees	186	75	75	80	6.7%	82	84	86	88	90
Miscellaneous	77	0	25	0	0.0%	0	0	0	0	0
Transfer from the General Fund	0	432	432	0	-100.0%	1,232	832	832	832	0
TOTAL ANNUAL REVENUES	14,284	14,919	15,851	15,779	5.8%	17,485	17,551	17,829	18,320	17,992
TOTAL RESOURCES-CABLE FUND	16,926	16,200	19,196	18,329	13.1%	19,138	20,302	21,497	22,877	23,617
EXPENDITURES										
A. FRANCHISE ADMINISTRATION										
Personnel Costs	643	721	721	742	2.9%	742	742	742	742	742
Oper. Exp. & Cap. Outlay	121	123	123	73	-40.7%	75	77	79	81	83
Engineering/Inspection	510	510	705	720	41.2%	740	761	782	804	827
Indirect costs trans to Gen Fund	194	202	202	253	25.5%	253	253	253	253	253
Indirect costs trans to Gen Fund (ERP & MCTime)				27		29	23	15	0	0
SUBTOTAL	1,468	1,556	1,751	1,815	16.7%	1,810	1,833	1,856	1,880	1,905
B. COUNTY ATTORNEY										
Personnel Costs	68	81	81	97	19.8%	97	97	97	97	97
SUBTOTAL	68	81	81	97	19.8%	97	97	97	97	97
C. OUTSIDE PROFESSIONAL SERVICES										
Legal and other	386	405	405	405	0.0%	416	428	440	452	465
SUBTOTAL	386	405	405	405	0.0%	416	428	440	452	465
D. MUNI. FRANCHISE FEE SHARING										
Revenues to municipalities	705	709	741	762	7.5%	783	805	828	851	875
SUBTOTAL	705	709	741	762	7.5%	783	805	828	851	875
E. MUNICIPAL EQUIPMENT & OPERATIONS										
Rockville Equipment (a)	53	54	95	98	80.9%	100	103	106	109	112
Rockville PEG Support (a)	62	64	65	67	4.6%	69	71	73	75	77
Takoma Park Equipment (a)	55	54	95	98	80.9%	100	103	106	109	112
Takoma Park PEG Support (a)	62	64	65	67	4.6%	69	71	73	75	77
Municipal League Equipment (a)	55	54	95	98	80.9%	100	103	106	109	112
Muni. League PEG Support (a)	62	64	65	67	4.6%	69	71	73	75	77
SUBTOTAL	349	354	480	494	39.5%	507	522	537	552	567
F. COUNTY CABLE MONTGOMERY		0								
Administration										
Personnel Costs	177	304	304	397	30.6%	397	397	397	397	397
Operating	11	25	25	31	24.0%	31	32	33	34	35
Closed Captioning	221	319	319	319	0.0%	328	337	346	356	366
Technical Operations Center (TOC)	98	23	23	23	0.0%	27	28	29	30	31
Arts PEG - AFI	0	0	0	0	0.0%	0	0	0	0	0
VOD, Community BB, web services	40	48	48	48	0.0%	49	50	51	52	53
Public Information Office										
Personnel Costs	198	185	274	349	88.6%	349	349	349	349	349
Operating Expenses	6	12	12	12	0.0%	12	12	13	14	15
Contracts - TV Production	376	414	325	359	-13.3%	369	379	390	401	412
County Council										
Personnel Costs	31	36	36	57	58.3%	57	57	57	57	57
Operating Expenses	65	48	48	48	0.0%	48	50	52	54	55
Contracts - TV Production	324	404	404	404	0.0%	415	427	439	451	464
MNCPPC										
Personnel Costs	0	81	81	81	0.0%	81	81	81	81	81
Operating Expenses	0	21	21	21	0.0%	22	23	24	25	26
Contracts - TV Production	0	124	124	124	0.0%	127	131	135	139	143
SUBTOTAL	1,547	2,044	2,044	2,273	11.2%	2,312	2,353	2,396	2,440	2,484

These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. This scenario represents one possible fiscal future based on the incorporated set of expenditure and resource assumptions. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources.



FY09 CABLE COMMUNICATIONS PLAN (\$000's)

SCHEDULED EXPENDITURES	Actual FY07	Approved FY08	Estimated FY08	Recommended FY09	% Chg					
					From '08 Plan	FY10	FY11	FY12	FY13	FY14
G. MONTGOMERY COLLEGE										
Personnel Costs	868	1,000	1,000	1,103	10.3%	1,134	1,166	1,199	1,233	1,268
Operating Expenses	199	219	219	219	0.0%	225	231	237	244	251
SUBTOTAL	1,067	1,219	1,219	1,322	8.4%	1,359	1,397	1,436	1,477	1,519
H. PUBLIC SCHOOLS										
Personnel Costs	1173	1234	1234	1,339	8.5%	1,376	1,415	1,455	1,496	1,538
Operating Expenses	210	287	287	275	-4.2%	283	291	299	307	316
SUBTOTAL	1,383	1,521	1,521	1,614	6.1%	1,659	1,706	1,754	1,803	1,854
I. COMMUNITY ACCESS ORGANIZATIONS (b)										
Personnel Costs	1,685	1,779	1,779	1,871	5.2%	1,923	1,977	2,032	2,089	2,147
Operating Expenses	720	755	755	781	3.4%	803	825	848	872	896
SUBTOTAL	2,405	2,534	2,534	2,652	4.7%	2,726	2,802	2,880	2,961	3,043
J. PEG NETWORK										
PEG Equipment Replacement	822	900	900	900	0.0%	945	992	1042	1094	1149
Emergency Equipment Reserve	12	80	80	80	0.0%	82	84	86	88	90
PEG Network Engineering & Admin	142	40	40	40	0.0%	44	46	49	51	54
Community Programming	46	100	100	100	0.0%	102	104	106	108	110
PEG Promotion	8	35	35	35	0.0%	36	37	38	40	42
PEG Network Operating	20	125	125	100	-20.0%	103	106	109	112	115
Mobile Production Vehicle	78	82	82	82	0.0%	86	90	95	100	105
SUBTOTAL	1,128	1,362	1,362	1,337	-1.8%	1,398	1,459	1,525	1,593	1,665
K. OTHER										
Multiuse Technology Facility	0	0	0	0	0.0%	0	0	0	0	0
Grants to Organizations	39	39	39	39	0.0%	39	39	39	39	39
SUBTOTAL	39	39	39	39	0.0%	39	39	39	39	39
PEG + ADMIN. SUBTOTAL	10,545	11,824	12,177	12,810	8.3%	13,106	13,442	13,789	14,146	14,514
L. INSTITUTIONAL TELECOMMUNICATIONS										
FiberNet Support (DTS)	1060	1,182	1,182	1,232	4.2%	1,266	1,301	1,337	1,374	1,412
FiberNet Support (DOT)	249	249	249	244	-2.0%	251	258	265	272	280
FiberNet-CIP	1,970	1,735	1,735	1,760	1.4%	1,735	1,610	1,535	1,460	1,460
Verizon-Cable Service to Public Buildings	0	0	0	0	0.0%	0	0	0	0	0
COB Renovations - CIP	0	323	323	629	0.0%	0	0	0	0	0
Advanced Transportation Management System (ATMS) - CIP	0	0	0	0	0.0%	0	0	0	0	0
Park & Planning Technology Projects	284	75	75	0	-100.0%	0	0	0	0	0
SUBTOTAL	3,563	3,564	3,564	3,865	8.4%	3,252	3,169	3,137	3,106	3,152
TOTAL EXPEND-PROGRAMS	14,108	15,388	15,741	16,675	8.4%	16,358	16,611	16,926	17,252	17,666
OTHER USES OF CATV FUNDS -										
Prior Year Adjustments	527	0	32	0	0.0%	0	0	0	0	0
CIP-Designated Claim on Fund	0	0	937	0	0.0%	0	0	0	0	0
Transfer to the General Fund	0	0	0	0	0.0%	0	0	0	0	0
TOTAL OTHER USES & ADJ. - SURPLUS (DEFICIT)	527	0	969	0	0.0%	0	0	0	0	0
FUND BALANCE	3,345	812	2,550	1,853	103.6%	2,751	3,668	4,557	5,625	5,951
FUND BALANCE per Policy Guidance		810	839	860		887	913	940	967	995
EXPENDITURES BY FUNDING SOURCE										
Transfer to Gen Fund-Indirect Costs	194	202	202	280	38.9%	282	276	268	253	253
Transfer to Gen Fund-Cable Opns	0	0	0	0	0.0%	0	0	0	0	0
Trans to Gen Fund-Mont Coll Cable Fd	1,067	1,219	1,219	1,322	8.4%	1,359	1,397	1,436	1,477	1,519
Trans to Gen Fund-Public Sch Cable Fd	1,383	1,521	1,521	1,614	6.1%	1,659	1,706	1,754	1,803	1,854
Trans to Gen Fund-FIBERNET Operations	0	0	0	0	0.0%	0	0	0	0	0
Transfer to CIP Fund	1,970	2,058	2,058	2,389	16.1%	1,735	1,610	1,535	1,460	1,460
Transfer to the General Fund-Other	0	0	0	0	0.0%	0	0	0	0	0
CATV Fund Direct Expenditures	9,494	10,388	10,709	11,070	1	11,352	11,644	11,947	12,258	12,579
TOTAL EXPEND-FUNDING SOURCE	14,108	15,388	15,709	16,675	8.4%	16,387	16,634	16,941	17,252	17,666

NOTES:

- 1 Transferred from the Cable Television Special Revenue Fund to the General Fund-Indirect Costs.
 - 2 Transferred to General Fund for Cable Operations in prior years.
 - 3 Transferred to General Fund for Montgomery College Cable Fund.
 - 4 Transferred to General Fund for Montgomery County Public Schools Cable Fund.
 - 5 Transferred to General Fund for FIBERNET Operations in prior years.
 - 6 Transferred to CIP Fund.
 - 7 Transferred to General Fund for Other Technology Related Use.
- (+) Funded directly from the Cable Television Special Revenue Fund.
(a) Maximum cable company contribution to fund municipal equipment.
(b) Currently Montgomery Community Television, Inc.

Fibernet -- No. 509651

Category General Government
 Subcategory Technology Services
 Administering Agency Technology Services
 Planning Area Countywide

Date Last Modified
 Required Adequate Public Facility
 Relocation Impact
 Status

January 11, 2008
 No
 None.
 On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	2,645	818	427	1,400	400	375	250	175	100	100	0
Land	4	4	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	11,741	9,740	1,701	300	50	50	50	50	50	50	0
Construction	8,978	41	1,377	7,560	1,260	1,260	1,260	1,260	1,260	1,260	0
Other	19,883	19,583	0	300	50	50	50	50	50	50	0
Total	43,251	30,186	3,505	9,560	1,760	1,735	1,610	1,535	1,460	1,460	0

FUNDING SCHEDULE (\$000)

Contributions	73	73	0	0	0	0	0	0	0	0	0
G.O. Bonds	8,913	7,918	995	0	0	0	0	0	0	0	0
Cable TV	32,165	20,095	2,510	9,560	1,760	1,735	1,610	1,535	1,460	1,460	0
PAYGO	2,100	2,100	0	0	0	0	0	0	0	0	0
Total	43,251	30,186	3,505	9,560	1,760	1,735	1,610	1,535	1,460	1,460	0

DESCRIPTION

This project provides for the planning, design, and installation of a Countywide fiber optic cable-based communication network with the capacity to support voice, data, and video transmissions among Montgomery County Government (MCG), MCPS, Montgomery College (MC), M-NCPPC, HOC and WSSC facilities. Fibernet is also the communications backbone for the Public Safety Radio and Public Safety Mobile Data Systems (collectively, PSCS), and future technology implementations. Fibernet has an estimated useful life of at least 20 years. Upgrades and replacements to electronic components in the core and at user sites will be required periodically.

COST CHANGE

The increase is due to the inclusion of expenditures in FY13 and FY14 and increased contractor cost for laying fiber.

JUSTIFICATION

Fibernet is a critical infrastructure asset serving every agency, the fiber plant for ATMS, and the dedicated and redundant communications links for the PSCS/800 MHz system. As of September 1, 2007, 244 user sites are on-net and receiving critical services from Fibernet. In FY07, DTS completed the re-engineering of Fibernet (now referred to as Fibernet II) to directly support Ethernet connections. This provides a core network that is technologically newer, faster and less expensive on a per-site basis. The focus for FY09 and FY10 is transitioning many sites and services from the original Fibernet to Fibernet II, infrastructure improvements, and deployment of new sites. DTS, in cooperation with ITPCC and its ITAG workgroup, continues to refine the master implementation schedule. MCG, MCPS, MC, M-NCPPC, HOC and WSSC will require substantially increased communication services and bandwidth among their facilities. The County will provide fiber optic services to those facilities for which leased telecommunications services cannot meet current or projected demand as cost effectively as Fibernet. Studies include: Fibernet Master Plan; RAM Comm. Mar 1995; Fibernet Eval. Rpt., TRW, Sept 1997; Fibernet Proj. Cost Est., ARINC, Apr 1998; Fibernet Proj. Cost-Benefit Analysis, ARINC, Oct 1998; Fibernet Strategic Plan, PrimeNet, Jun 2002; Fibernet Strategic Direction, ITAG, Nov 2003; Fibernet service level agreement, Jan 2005.

OTHER

DTS is responsible for project management, network operations, and maintenance of electronics; DPWT for installation and maintenance of the fiber optic cable. Comcast, at DTS's direction, also provides fiber used in Fibernet. Sites installed to date include MCG departments/offices, PSCS sites, MC campuses, MCPS high schools/middle schools/administrative facilities, M-NCPPC sites, HOC sites. Sites have been, and will continue to be, installed in a priority order based on the expected cost savings/avoidance; current and future connectivity needs; and availability of fiber optic cable to an area.

FISCAL NOTE

Fibernet maintenance is supported by a grant from the franchise agreement with the County's cable service provider. The original grant amount of \$1.2 million/yr is increased by the CPI each year. For this reason the Operating Budget Impact is \$0.

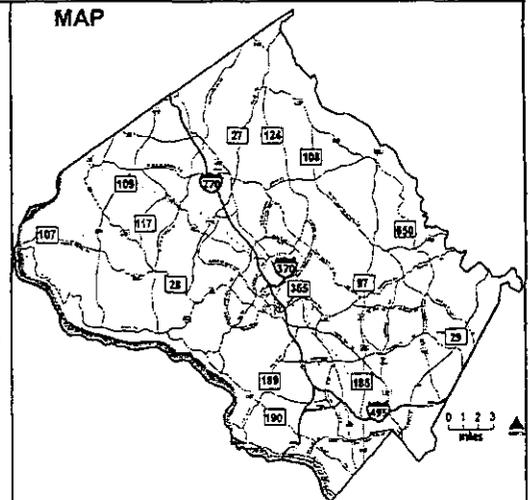
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY96	(\$000)
First Cost Estimate	FY07	39,231
Current Scope		
Last FY's Cost Estimate		39,231
Appropriation Request	FY09	1,760
Appropriation Request Est.	FY10	1,735
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		33,691
Expenditures / Encumbrances		31,296
Unencumbered Balance		2,395
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

COORDINATION

Department of Technology Services
 Department of Public Works and Transportation
 Advanced Transportation Management System Project
 Montgomery County Public Schools
 M-NCPPC
 Montgomery College
 HOC
 WSSC
 Comcast
 Public Safety Radio System
 Information Technology Policy Coordination Committee (ITPCC)
 ITPCC CIO Subcommittee
 Interagency Technology Advisory Group (ITAG)

MAP



Council Office Building Renovations -- No. 010100

Category	General Government	Date Last Modified	December 28, 2007
Subcategory	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	Public Works & Transportation	Relocation Impact	None
Planning Area	Rockville	Status	Preliminary Design Stage

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	605	13	357	235	235	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	2,776	0	688	2,088	2,088	0	0	0	0	0	0
Other	1,251	0	162	1,089	1,089	0	0	0	0	0	0
Total	4,632	13	1,207	3,412	3,412	0	0	0	0	0	0

FUNDING SCHEDULE (\$000)

G.O. Bonds	3,680	13	884	2,783	2,783	0	0	0	0	0	0
Cable TV	952	0	323	629	629	0	0	0	0	0	0
Total	4,632	13	1,207	3,412	3,412	0	0	0	0	0	0

DESCRIPTION

This project will renovate the hearing room, conference room, and anteroom on the third floor of the Council Office Building. These rooms have not been renovated in at least 30 years. The basic structure of the rooms will be retained. The renovation will improve disability access and upgrade the HVAC system, the lighting systems, and the audio-visual systems.

COST CHANGE

Increase due to a revised cost estimate and construction cost escalation.

JUSTIFICATION

The improvements described above will better serve all users of the rooms, including the general public, civic groups, the Delegation, and the Council.

The Program of Requirements for this project has been updated to reflect the most recent requirements.

OTHER DISCLOSURES

- A pedestrian impact analysis has been completed for this project.

APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY05.	(\$000)
First Cost Estimate	FY07	3,907
Current Scope		3,907
Last FY's Cost Estimate		3,907
Appropriation Request	FY09	725
Appropriation Request Est.	FY10	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		3,907
Expenditures / Encumbrances		284
Unencumbered Balance		3,623
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

COORDINATION

County Council
 Department of Public Works and Transportation, Division of Capital Development
 Department of Technology Services

MAP



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Montgomery County Council
FY'09 Operating Budget Hearing
Cable Communications Plan
Wednesday, April 9, 2008

Testimony of
Montgomery Community Television, Inc.

Chairperson Knapp and Members of the County Council:

I am Richard Turner, Executive Director of Montgomery Community Television. Thank you for this opportunity to provide testimony regarding the FY09 Cable Communications Plan and respective budget.

Montgomery Community Television (MCT) is the nonprofit organization established to implement what is commonly known as public access to cable television or community media. MCT provides direct services to residents including outreach, training, access to production facilities, volunteer services, production services and distribution of programming via cable channels 19 and 21. These public access services are branded or known as Access Montgomery.

Purpose Statement

Montgomery Community Television's purpose is to engage, educate and empower individuals and the community, to express diverse points of view.

Mission

Montgomery Community Television's mission is to encourage and sponsor television programming and broadband media that meets community needs and offer forums for free expression.

Strategic Direction

MCT's board aligned the organization with County interests by adopting a code of ethics including core values and reorienting the strategic direction by adopting goals, timetables and performance measures. Those goals are as follows:

1. Increasing the quantity and quality of resident generated programming produced and distributed by MCT;
2. Increasing the number of volunteers and the quality of the volunteer experience;
3. Rebuilding staff and staff morale;
4. Restoring and maintaining in good order the equipment and environment in which volunteers and staff operate;
5. Increasing viewership of MCT's channels;
6. Increasing the diversity of MCT's programming, resident participation and viewership, and;
7. Meeting all contractual obligations

Through continued updating of the strategic and operational plans, MCT has been refocusing and aligning the efforts of the various stakeholder groups to ensure meeting these goals and assuring that County residents will continue to enjoy the unique benefits Access Montgomery (AMTV) and MCT brings to Montgomery County's quality of life.

Background

During FY08 through the third quarter, there were nearly **300 active productions**, the vast majority of which are staffed by **dedicated volunteers who committed over 7,000 hours** of service. AMTV provided nearly \$1M of market value benefit in equipment and facilities at no cost to residents resulting in over **600 hours of original local programming**. In total, combining both in-facility produced and programming sponsored by local residents, **AMTV cablecast over 2,000 programs resulting in over 1,200 hours of original programming**. This is more than \$6M in market value benefit if residents attempted to purchase time on a commercial cable channel. The channels present a broad cross-section of interests from within our community including programming in over 10 different languages. **All this totals an estimated 300% return on investment in public benefit.**

Accomplishments

Outreach

Access Montgomery launched its partnership with the Gilchrist Center for Cultural Diversity to serve the needs of the diverse communities in the down county regions. Since the program's inception, services offered at the Gilchrist have included orientations to our services, a video blogging workshop, a non-profit training day, a portable studio production of 'Cultural Diversity in Action' about the partners working at Gilchrist, the production of an 'African Women's Forum' and most recently the successful implementation of an after school program on basic video production targeting at-risk teens.

AMTV/MCT received top honors for our marketing and branding efforts. Our internship program recruits high school and college students from across the County. To date, the internship program has enrolled over 20 students and two of the students were subsequently hired as staff.

Production Facilitation and Volunteer Services

The Annual Volunteer Recognition and Awards Ceremony recognized quality community-produced programming and honored Access Montgomery volunteer producers and technicians who devote thousands of hours toward the creation of programs on the channels.

Ongoing classes, workshops and refresher sessions exceeded the goal of 400 training opportunities. Additionally, six meetings of *Creative Connections* as well as networking and production technique information sessions were held regularly throughout the year to provide on-going technical advice to certified volunteer technicians and producers.

Support of special needs groups included a studio production workshop designed to provide hands-on experience for television production students at the Chelsea School, a non-profit vocational technical high school in Silver Spring serving reading-challenged students.

The *What's Your Story* project was co-sponsored and supported by Access Montgomery by providing trainers and video equipment in partnership with the Silver Spring Youth Collaborative and the Gandhi Brigade. At-risk youth in the Silver Spring area learned to use video to express their voices and explore their needs in the development planning of the downtown Silver Spring area.

Production Services in Support of Special Needs Groups

A live, televised workshop teaching youth how to produce public service announcements for a commercial challenge contest called Drawing the Line on Under-21 Alcohol use was offered as part of a public/private comprehensive, countywide prevention program focusing on reducing adolescent alcohol use. AMTV/MCT has taken to heart that the commitment to collaborate and broaden the range of out-of-school opportunities and services that can help our children, especially those from our least affluent families, realize their full potential and prepare for a lifetime of learning.

Minority at-risk down county youth working in the non-profit Arts on the Block were the focus of a production about creation of a mural decorating the exterior of the Gilchrist Center. The video, which was produced by and shown on AMTV, was subsequently used by the leadership of Arts on the Block to attract donors, support underwriting and grants and raise awareness among stakeholders about the work of their community organization.

Production Services

Access Montgomery professional staff have supported the production of a diverse range of events, many of which were co-sponsored by the County. This increase in production was primarily due to implementing more cost effective productions such as full coverage of community events, live to tape. Community programming included town hall meetings, community forums and celebrations which included Martin Luther King Jr. Day of Service Close ups and live-to-tape coverage of the Strathmore MLK Tribute; the Silver Spring Youth and Family Fair Community Response to Gang Violence; Hearing on Mental Health Parity; a Panel Forum on Immigration at the Gilchrist Center, and the memorial services for Councilmember Praisner. During the primary election campaigns, AMTV/MCT also taped Candidate Forum statements inviting all candidates running for county and statewide public offices to tape unedited statements preceding the elections. AMTV/MCT also worked in conjunction with the Montgomery County League of Women Voters to produce political debates involving candidates running for a variety of elected offices. AMTV/MCT created nearly four hours of programming covering the special election for district four. If not for these efforts many of our residents would be unaware of the special election and the candidates seeking office.

FY09 Initiatives

AMTV/MCT is committed to providing quality services that ensures vital living for county residents. AMTV/MCT is the perfect tool to engage county residents in communicating and involving their neighbors. There are youth who are learning how to become contributing citizens, and organizations like the Montgomery County Agricultural Fair who are reaching out to engage more Hispanic residents. These are examples of volunteers utilizing AMTV/MCT's resources to generate dialogue not seen on any other cable channel. **AMTV/MCT's primary focus is empowering volunteers to produce quality local programming that makes a difference.**

What follows is a high level summary of initiatives for FY09 subject to approval of this budget request.

- Increase outreach to seniors, school sports associations, faith-based organizations and civic based organizations
- Pursue a voluntary peer review program designed to provide feedback and improve quality of volunteer produced or submitted programming
- Facilitate production scheduling and staffing to reduce production cancellations and increase sense of community
- Create new incentives for increasing volunteer participation
- Establish regular volunteer satisfaction surveys to improve services
- Stabilize and sustain the routine implementation of staff performance appraisals
- Increase utilization of the PEG Network mobile production vehicle for remote productions
- Complete the digital equipment migration plan
- Establish regular feedback from viewers
- Increase the promotion and advertising of channels and programming
- Institute routine second language training and class offerings
- Increase effectiveness through routine monitoring and reporting of AMTV/MCT performance measures and timetables

Productivity Improvements

AMTV/MCT's primary focus on productivity enhancement initiatives is the stabilization and rebuilding of the volunteer stakeholders group. AMTV/MCT could not produce the volume and breadth of programming without a vital community of volunteer producers and technicians. **AMTV/MCT can most effectively increase the amount and diversity of programming by investing in the facilitation and support of these volunteers.** This is a win-win benefit as volunteers are not only successful in creating video programming but they can contribute in other important areas that will assist AMTV/MCT in fulfilling its mission and serving the County, including the areas of outreach, training, IT support, and programming acquisition to name a few. By increasing the base of volunteers AMTV/MCT can do more with the resources provided by the County. In addition to facilitating and supporting volunteers AMTV/MCT will be pursuing other initiatives with the intent of controlling general and administrative costs.

Productivity Enhancements planned for FY09

- increasing the role of volunteers to increase capacity in outreach, program production and programming acquisition
- evaluation and elimination of non-value added processes
- implementation of greater advocacy for volunteer involvement
- new position descriptions providing greater flexibility in staff assignments that support volunteers
- increase in use of automation to increase hours of programming on the channel
- exploration of outsourcing some administrative accounting functions
- exploration of renegotiations of building lease terms and associated expense

FY09 Budget Request

Line Item Requests

AMTV/MCT requests budget appropriations from the County’s Cable Special Revenue Fund. AMTV/MCT is not funded from general tax revenues. AMTV/MCT has fixed and long run expense that increases each year. If AMTV/MCT’s budget remains at the same level as the prior year, AMTV/MCT would be forced to reduce the level of service to make up the short fall in revenues. **AMTV/MCT is in a unique position as a stand alone organization as compared to other entities funded under the cable plan.** All administrative burden, rent, utilities and other non discretionary expense must come from this budget. A same-service budget recognizes the increasing operating costs due to negotiated salary agreements, anticipated cost of living tied to the consumer price index and other fixed cost increases, such as rent.

MCT’s request for same level of service is:

	FY08	FY09
Salaries and Benefits	1,779,000	1,870,556
Operating	755,000	850,444
Total	\$2,534,000	\$2,720,999

Unfunded Requests

MCT submitted an **FY09 same level of service request of \$2,720,999**. MCT requested additional budget items that were not included in the County Executive’s recommended budget. Among the additional requests was a provision for capacity building by providing accounting support.

- Accounting Support

Operating Expense (Professional Services) \$70,000

AMTV/MCT is obligated to improve its administrative staffing and monitoring of the defined contribution pension plan under a voluntary correction plan with the IRS. Administrative staffing was reorganized to address this requirement

increasing the responsibility of the Director of Accounting to include Human Resources. This diverted .75 FTE of the position to addressing human resource and personnel issues leaving unmet needs in accounting. This funding would restore accounting capacity to ensure full fiscal and audit compliance as well as compliance with the human resources requirement. This request is for contracted professional services. This item was previously recommended for approval in FY08.

The County Executive's budget recognized the importance of MCT initiatives by proposing to fund \$2,652,000. **The proposed budget does not include this additional administrative capacity** and as a result **MCT has been operating with a deficit budget**. However, considering the current economic conditions we must all find ways to work through this difficult year, MCT is prepared to use its precious reserve funds should the Council not be able to fund the additional request for accounting support this year.

MCT requests that the County Council fully fund the County Executive's budget request for Community Access Organizations of \$2,670,000 in the FY09 cable plan.

The Cable Fund was established to ensure that funds generated from cable franchise revenues would go to their intended purpose. From the beginning, PEG Access has been one of the primary and fundamental purposes. The Council should **ensure that our residents have access to local information and the means to participate in the creation of local programming**. Your funding of these budget requests will make certain that the diverse interests of our residents will be represented and that our community will continue to have its place in the electronic media.

Thank you for this opportunity to present testimony.

PEG NETWORK FY09-14 STRATEGIC PLAN

The PEG Network Strategic Plan is based on the premise that cost effective use of cable resources is best achieved when all PEG operations share a vision of how to deliver and promote the most effective public access media services and educational and government programming to our community. The goal of this strategic plan initiative is to:

- articulate our unified mission
- focus our combined energies and maximize utilization of our combined resources
- identify new uses of existing and emerging technologies to support our unified mission, and the individual mission of each PEG Network member, and
- define performance goals and objectives and measurements.

The activities of the PEG Network are determined largely by the priorities established in the Strategic Plan. This planning instrument is the basis for all decision-making at the PEG Network level. Capital and operating budget requests are reviewed for consistency with the plan as part of the Cable Plan approval process. Progress in achieving objectives is evaluated annually and the plan modified as necessary based on the evaluation findings. The FY09 Cable Plan budget request document formally proposes PEG Network performance measures for the first time. Interagency collaborative efforts to facilitate local access operators' effective use of the available cable resources for providing and promoting public access, educational and governmental programming and media services based upon its three traditional partnership areas (joint production, training, and promotion) is the foundation with County directed initiatives included as appropriate.

Proposed PEG Network Interagency Performance Measures	Actual FY	Actual FY	Actual FY	Est. FY	Rec'd FY	Proj'd FY
1. Joint Production/Programming (# of hours)						
2. Joint Use of Mobile Production Vehicle						
a. # of events supported						
b. # of hours of programming produced						
3. Joint Training:						
a. # of specialized training activities provided						
b. # of PEG staff trained						
4. Joint Promotion:						
e. # of TBD						
f. # of TBD						
5. County directed Initiatives (% completed)						
a.						
b.						
c.						
d.						
e.						

As with any strategic planning effort, it is important to re-evaluate the plan on a yearly basis in order to keep the plan effective and current. Our evaluation of our progress this past year has resulted in the development of the PEG Network FY09-14 Strategic Plan. We expect this plan to help us to continue to improve every aspect of our internal and external operations and to better support one another and serve the Montgomery County community.

ASSUMPTIONS OF THE PLAN

- Montgomery County's population growth and its business, education, and training needs will continue to increase over the next 5-10 years. Diversity within the County's population will require community members and community organizations' greater use of specialized communication tools and equipment. Community members/organizations will require more access to cable resources to meet their individual time, location, and physical constraints. The County may need to expand and extend the availability of cable access resources to down county and up county areas of the community.
- The PEG Network strengthens the value of Montgomery County's PEG access channels and enriches communities across the region. Its members will regularly assess the community's access media needs to identify unfulfilled and/or emerging needs and to advance the public's interest in community access to all technologies in electronic media. Its members will provide education on the value of PEG access to the community at large and persons in position of authority. The County and PEG Channel Operators' partnership efforts and responsibilities and practices will be regularly evaluated for quality and continuous improvement to strengthen the value of the PEG Network organization to its members and to the community.
- The County and members of the PEG Network will increase electronic connectivity with both public and private sectors for the efficient delivery of programs and services. Members of the PEG Network will collaborate with local government and educational agencies for planning and use of the telecommunications infrastructure in the franchise area. PEG Network members will continue to enhance their current and emerging technology capabilities through the use of new telecommunications techniques and products for productivity and efficiency in operations and interface with their members and the public.
- Rapid changes in information technology hardware and software will increase the challenge PEG channels face for effective operations and interoperability as well as for recruiting, training and retaining qualified personnel. Cable resource growth may be constrained in the next 5-10 years, limiting the individual PEG entities' ability to maintain the current level of operations and hire personnel. PEG entities' capability for growth may be limited if Cable Fund resources are appropriated for other initiatives.

PEG NETWORK MISSION

The PEG Network will facilitate collaboration among the local access operators in providing and promoting the most effective public access, educational and government programming and media services to the Montgomery County community using current and emerging technologies.

OVERVIEW OF FY09-14 PEG NETWORK GOALS AND PERFORMANCE MEASURES

- Goal 1:** The PEG Network will facilitate delivery of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.
- Goal 2:** The PEG Network will facilitate promotion of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.

SUMMARY OF PROPOSED FY09-14 CABLE PLAN BUDGET REQUEST

	FY09	FY10	FY11	FY12	FY13	FY14
GOAL 1	1,775,944	3,363,100	1,927,255	2,029,616	2,117,346	2,219,612
GOAL 2	35,000	36,800	38,600	40,500	42,500	44,000
TOTAL	1,810,944	3,399,900	1,965,855	2,070,116	2,159,846	2,263,612

DETAIL GOALS AND OBJECTIVES

GOAL 1: The PEG Network will facilitate delivery of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.

Objective 1: To implement continuous improvement processes and practices in the use and management of PEG assets to become a high performance organization; and expand the PEG Network's participation in external consortia that will enhance the efficiency and quality of PEG services and programming.

Implementation Strategies (continuing):

1. Conduct PEG Network meetings and PEG Network committee meetings on a regular basis.
2. Develop and coordinate PEG Network budget requests and PEG Network initiatives with the Office of Cable and Communications Administration.
3. Attend Cable Communications Advisory Committee meetings on a regular basis
4. Attend County Council and Management and Fiscal Policy Committees meetings on cable and telecommunications issues.
5. Develop, print, distribute and present PEG Network annual report.
6. Participate in regional and national chapters of cable and telecommunications organizations.
7. Utilize electronic technologies to support PEG Network communications.
8. Communicate effectively with key personnel in administrative areas.

Implementation Strategies (new):

1. FY09: Implement PEG Network Memorandum of Understanding (MOU) to establish a continuous improvement system of internal management that governs the decision-making, implementation, and evaluation activities of the PEG Network partnership. Implement arrangements for the reporting, storage and distribution of PEG partnership information (to include but not be limited to data related to joint production, joint training, joint promotion; joint County directed initiatives, budget requests; PEG Channel data related to monthly/quarterly/yearly achievements, budget requests).

Performance Measures: Relates to measures 1, 2, 3, 4, and 5.

Objective 2: To design and maintain a comprehensive professional development plan for PEG Network staff to use current and emerging technologies efficiently and effectively in PEG Network operations.

Implementation Strategies (continuing):

1. Develop and evaluate an annual training plan for the PEG Network.
2. Optimize individual and collaborative PEG Network member training opportunities.
3. Provide for internal and external training and skill enhancement opportunities.
4. Participate in local, regional and national trade associations.

Performance Measures: Relates to measures 3 and 4.

Objective 3: To maintain and/or expand the PEG Network's technology resources based on PEG entities' operational requirements and provide the necessary support base for on-going management operations and maintenance.

Implementation Strategies (continuing):

1. Continue to implement a digital migration and equipment upgrade plan for County Cable Montgomery, Montgomery College, Montgomery County Public Schools and Montgomery Community Television PEG operations.
2. Continue to maintain an Emergency Replacement account in the PEG Network administrative budget.
3. Research, specify and procure cost-effective new technologies.

Performance Measures: Relates to measures 1, 2, 3, and 4.

Objective 4: To increase the number and quality of media resources available to the community and the PEG Network members, improve access to these resources, and provide a means for PEG Network mobile production capabilities at locations throughout the County.

Implementation Strategies (new):

1. Review and evaluate Mobile Production Vehicle Policy and Procedures for continuous improvement.

Performance Measures: Relates to measures 1, 2, 3, 4, and 5.

Objective 5: To upgrade and maintain PEG Network services and programming to enable PEG operators to address the specialized needs of the County's diverse population.

Implementation Strategy (continuing):

1. Continue to develop and produce Community Programming projects.
2. Develop and implement plan for closed captioning of select PEG programming.
3. Develop and implement plan for foreign language versioning of select PEG programming

Performance Measures: Relates to measures 1, 2, 3, 4, and 5.

GOAL 2: The PEG Network will facilitate promotion of public access media services and educational and government programming to the Montgomery County community through coordination of partnership resources.

Objective 1: To increase the availability of PEG Network promotional resources through in-house and/or contractual marketing support and improved use of information technology resources.

Implementation Strategies (continuing):

1. Contract external marketing support.
2. Develop print promotions.
3. Develop on-air promotions.
4. Maintain a PEG Network web site on the world wide web.
5. Investigate new and emerging technologies for web streaming/digital distribution.
6. Participate in community events.
7. Meet regularly with service organizations and non-profits.
8. Participate in local and national trade association meetings, conferences and seminars.

Performance Measures: Relates to measures 4 and 5.

PRELIMINARY FY09 CABLE COMMUNICATIONS PLAN (\$000's)

SCHEDULED EXPENDITURES	Actual FY06	Actual FY07	Approved FY08	Estimated FY08	FY09	FY10	FY11	FY12	FY13
BEGINNING FUND BALANCE	1,607	2,642	1,281	2,408	2,164	3,906	5,300	6,877	8,392
REVENUES									
5% Franchise Fee	11,263	9,547	9,849	10,296	10,584	10,881	11,186	11,499	12,152
G'Burg PEG Contribution	203	193	192	196	201	207	213	219	231
PEG Operating	1,984	2,167	2,207	2,734	2,811	2,889	2,970	3,053	3,226
PEG Capital/Equipment	230	239	246	248	255	262	269	277	293
Verizon Grant	0	250	200	200	200	200	200	0	0
FiberNet Operating	1,417	1,474	1,518	1,525	1,568	1,612	1,657	1,703	1,800
Interest Earned	154	151	200	200	200	200	210	220	240
Tower Review Fees	122	186	75	75	80	82	84	86	90
Miscellaneous	0	77	0	25	0	0	0	0	0
Transfer from the General Fund	0	0	432	432	1,232	832	832	832	0
TOTAL ANNUAL REVENUES	15,373	14,284	14,919	15,931	17,131	17,165	17,621	17,889	18,032
TOTAL RESOURCES-CABLE FUND	16,980	16,926	16,200	18,339	19,295	21,071	22,921	24,766	26,424
EXPENDITURES									
A. FRANCHISE ADMINISTRATION									
Personnel Costs	549	643	721 +	721	740	759	779	799	820
Oper. Exp. & Cap. Outlay	76	121	123 +	123	75	77	79	81	83
Engineering/Inspection	485	510	510 +	510	523	537	551	565	580
Indirect costs trans to Gen Fund	174	194	202 +	202	208	214	214	214	214
SUBTOTAL	1,284	1,468	1,556	1,556	1,546	1,587	1,623	1,659	1,697
B. COUNTY ATTORNEY									
Personnel Costs	67	68	81	81	85	89	93	97	101
SUBTOTAL	67	68	81	81	85	89	93	97	101
C. OUTSIDE PROFESSIONAL SERVICES									
Legal and other	389	386	405	405	416	427	438	449	461
SUBTOTAL	389	386	405 +	405	416	427	438	449	461
D. MUNI. FRANCHISE FEE SHARING									
Revenues to municipalities	636	705	709	741	743	783	805	828	851
SUBTOTAL	636	705	709 +	741	743	783	805	828	851
E. MUNICIPAL EQUIPMENT & OPERATIONS									
Rockville Equipment (a)	43	53	54	95	98	100	103	106	109
Rockville PEG Operating Support (a)	60	62	64	65	67	69	71	73	75
Takoma Park Equipment (a)	43	55	54	95	98	100	103	106	109
Takoma Park PEG Oper. Support (a)	60	62	64	65	67	69	71	73	75
Municipal League Eqp. (a)	43	55	54	95	98	100	103	106	109
Muni. League PEG Oper. Support (a)	60	62	64	65	67	69	71	73	75
SUBTOTAL	309	349	354 +	480	495	507	522	537	552
F. COUNTY CABLE MONTGOMERY									
Administration									
Personnel Costs	166	177	304 +	304	316	329	342	355	355
Operating	18	11	25 +	25	25	26	27	28	29
Closed captioning	187	221	319 +	319	327	336	345	354	363
Technical Operations Center (TOC)	143	98	23 +	23	27	28	29	30	31
Arts PEG - AFI	0	0	0 +	0	0	0	0	0	0
VOD, Community BB, web services	30	40	48 +	48	49	50	51	52	53
Public Information Office									
Personnel Costs	182	198	185 +	274	282	290	299	308	317
Operating Expenses	8	6	12 +	12	12	12	13	14	15
Contracts - TV Production	385	376	414 +	325	336	347	358	370	383
County Council									
Personnel Costs	30	31	36 +	36	38	40	42	44	46
Operating Expenses	39	65	48 +	48	48	50	52	54	55
Contracts - TV Production	370	324	404 +	404	415	426	437	448	460
MNCPPC									
Personnel Costs	0	0	81 +	81	81	81	81	81	81
Operating Expenses	0	0	21 +	21	22	23	24	25	26
Contracts - TV Production	0	0	124 +	124	127	130	133	136	140
SUBTOTAL	1,558	1,547	2,044	2,044	2,105	2,168	2,233	2,299	2,354

These projections for the Cable TV Fund incorporate assumptions of annual resources and resource usage as well as projected end-of-year reserves available based on these assumptions. This scenario assumes that operating expenditures will experience net increases as a trend. Factors contributing to the assumed rate of increase include compensation adjustments, program and productivity improvements, and cost increases driven by inflation. This scenario represents one possible fiscal future based on the incorporated set of expenditure and resource assumptions. Other scenarios would occur if the County Executive and County Council adopted a different program plan or if the future brings different trends than presumed in the incorporated assumptions. The County Executive presents these fiscal projections as a tool for thinking about the future fiscal policy implications of the recommended program of expenditures and resources.

PRELIMINARY FY09 CABLE COMMUNICATIONS PLAN (\$000's)

SCHEDULED EXPENDITURES	Actual FY06	Actual FY07	Approved FY08	Estimated FY08	FY09	FY10	FY11	FY12	FY13
G. MONTGOMERY COLLEGE									
Personnel Costs	752	868	1,000 ³	1,000	1,026	1,053	1,080	1,108	1,137
Operating Expenses	187	199	219 ³	219	225	231	237	243	249
SUBTOTAL	939	1,067	1,219	1,219	1,251	1,284	1,317	1,351	1,386
H. PUBLIC SCHOOLS									
Personnel Costs	1,080	1,173	1,234 ⁴	1,234	1,266	1,299	1,333	1,368	1,404
Operating Expenses	158	210	287 ⁴	287	294	302	310	318	326
SUBTOTAL	1,238	1,383	1,521	1,521	1,560	1,601	1,643	1,686	1,730
I. COMMUNITY ACCESS ORGANIZATIONS (b)									
Personnel Costs	1,548	1,685	1,779	1,779	1,825	1,872	1,921	1,971	2,022
Operating Expenses	726	720	755	755	775	795	816	837	859
SUBTOTAL	2,274	2,405	2,534 +	2,534	2,600	2,667	2,737	2,808	2,881
J. PEG NETWORK									
PEG Equipment Replacement	783	822	900 +	900	843	885	930	976	1025
Emergency Equipment Reserve	0	12	80 +	80	82	84	86	88	90
PEG Network Engineering & Admin	40	142	40 +	40	44	46	49	51	54
Community Programming	35	46	100 +	100	102	104	106	108	110
PEG Promotion	30	8	.35 +	35	36	37	38	40	42
PEG Network Operating	55	20	125 +	125	128	131	134	137	141
Mobile Production Vehicle	593	78	82 +	82	84	90	95	100	105
SUBTOTAL	1536	1128	1,362	1,362	1,321	1,377	1,438	1,500	1,567
K. OTHER									
Down County Comm. Media Facility	12	0	0 +	0	0	0	0	0	0
Grants to Organizations	39	39	39 +	39	39	39	39	39	39
SUBTOTAL	51	39	39	39	39	39	39	39	39
PEG + ADMIN. SUBTOTAL	10,281	10,545	11,824	11,982	12,161	12,529	12,888	13,253	13,619
L. INSTITUTIONAL TELECOMMUNICATIONS									
FiberNet-Operations (DTS)	975	1,060	1,182 *	1,182	1,213	1,245	1,277	1,310	1,344
FiberNet-Operations (DPWT)	240	249	249 *	249	255	262	269	276	283
FiberNet-CIP	1,000	1,970	1,735 ⁶	1,735	1,760	1,735	1,610	1,535	1,460
Verizon-Cable Service to Public Buildings	0	0	0	0	0	0	0	0	0
COB Renovations - CIP	0	0	323 ⁴	952	0	0	0	0	0
Advanced Transportation Management System (ATMS) - CIP	1,241	0	0	0	0	0	0	0	0
Park & Planning Technology Projects	0	284	75	75	0	0	0	0	0
SUBTOTAL	3,456	3,563	3,564	4,193	3,228	3,242	3,156	3,121	3,087
TOTAL EXPEND-PROGRAMS	13,737	14,108	15,388	16,175	15,389	15,771	16,044	16,374	16,706
OTHER USES OF CATV FUNDS -									
Prior Year Adjustments	(601)	(410)	0	0	0	0	0	0	0
Transfer to the General Fund	0	0	0	0	0	0	0	0	0
TOTAL OTHER USES & ADJ. - SURPLUS (DEFICIT)	(601)	(410)	0	0	0	0	0	0	0
FUND BALANCE	1,636	(234)	(469)	(244)	1,742	1,394	1,577	1,515	1,326
FUND BALANCE per Policy Guidance	2,642	2,408	812	2,164	3,906	5,300	6,877	8,392	9,718
FUND BALANCE per Policy Guidance			810	846	869	893	918	944	999
EXPENDITURES BY FUNDING SOURCE									
Transfer to Gen Fund-Indirect Costs	174	194	202 ¹	202	208	214	214	214	214
Transfer to Gen Fund-Cable Opns	0	0	0 ²	0	0	0	0	0	0
Trans to Gen Fund-Mont Coll Cable Fd	939	1,067	1,219 ³	1,219	1,251	1,284	1,317	1,351	1,386
Trans to Gen Fund-Public Sch Cable Fd	1,238	1,383	1,521 ⁴	1,521	1,560	1,601	1,643	1,686	1,730
Trans to Gen Fund-FIBERNET Operations	0	0	0 ⁵	0	0	0	0	0	0
Transfer to CIP Fund	2,241	1,970	2,058 ⁶	2,687	1,760	1,735	1,610	1,535	1,460
Transfer to the General Fund-Other	0	0	0	0	0	0	0	0	0
CATV Fund Direct Expenditures	9,145	9,494	10,388 +	10,546	10,610	10,937	11,260	11,588	11,916
TOTAL EXPEND-FUNDING SOURCE	13,737	14,108	15,388	16,175	15,389	15,771	16,044	16,374	16,706
NOTES:									
¹ Transferred from the Cable Television Special Revenue Fund to the General Fund-Indirect Costs.									
² Transferred to General Fund for Cable Operations in prior years.									
³ Transferred to General Fund for Montgomery College Cable Fund.									
⁴ Transferred to General Fund for Montgomery County Public Schools Cable Fund.									
⁵ Transferred to General Fund for FIBERNET Operations in prior years.									
⁶ Transferred to CIP Fund									
(+) Funded directly from the Cable Television Special Revenue Fund.									
(a) Maximum cable company contribution to fund municipal equipment									
(b) Currently Montgomery Community Television, Inc.									

Resolution No: 15-1477
Introduced: May 25, 2006
Adopted: May 25, 2006

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Approval of the FY 2007 Cable Communications Plan

Background

1. Section 8A-28(a) of the County Code provides that "All access grants, franchise fees, and other moneys received by the County from any franchisee may be spent only under a budget approved by the County Council and in accordance with the County Cable Communications Plan."
2. Section 8A-28(b) of the County Code provides that "The Cable Communications Plan must be proposed by the County Executive to the Council annually and may be amended at any time."
3. Section 2.2 of the 2002 AT&T Comcast Transfer Agreement provides that "... all provisions of the Franchise Documents remain in full force and effect and are enforceable in accordance with their terms and with applicable law."
4. Section 7(b) of the 2000 Franchise Agreement with Comcast provides that Comcast must pay a capital grant to the County of "\$200,000 per year . . . to be used by the County, in its sole discretion, for PEG equipment . . . or for PEG-related facilities renovation, or construction."
5. Section 7(h)(1) of the 2000 Franchise Agreement with Comcast provides that Comcast must pay an annual capital grant to the County of \$1.2 million, adjusted annually by the Consumer Price Index, "to support installation, construction, operations, and maintenance of the County's FiberNet and associated network equipment, and the Institutional Network . . ."
6. Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County, Prime Communications, and SBC Media Ventures, Inc., provides that Comcast must pay \$1.5 million, adjusted annually by the Consumer Price Index, for PEG support.

7. Section 7(b) of the 1999 Franchise Agreement with Starpower provides that Starpower must pay a capital grant to the County of "3% of Gross Revenues per year . . . excluding revenues arising from Internet Access . . . to be used by the County . . . for PEG access and institutional network purposes, including PEG access equipment, institutional network equipment or for renovation or construction of PEG access or institutional network facilities."
8. On February 8, 2005, the County Council approved Resolution 15-889 supporting the transfer of interest in Starpower Communications L.L.C. from Pepco Communications to RCN Telecom Services of Washington, D.C., Inc. Starpower is now doing business as RCN.
9. Section 8 of the Franchise Agreements with Comcast and RCN provides that each franchisee must pay, for the life of the franchise, a franchise fee of 5 percent of annual gross revenues.

General Provisions

1. Purpose and Effect: This Cable Communications Plan constitutes the County's formal direction for the use of resources required to be provided under Sections 7 and 8 of the Franchise Agreements with Comcast and RCN.

In FY 2007, these resources must be deposited by the County in its Cable TV Special Revenue Fund, and this Cable Communications Plan directs the use of the revenues in this Fund.

2. Spending Authority under the Time Period Governed by This Plan: This Cable Communications Plan provides spending authority for FY 2007. Resources appropriated in FY 2007 that are not encumbered by the County on or before June 30, 2007, must remain in the Cable TV Special Revenue Fund and be available for spending in future years.
3. Carryover: Resources provided to the County as a result of the requirements of the Franchise Agreements with Comcast and RCN, but not specifically allocated in the Cable Communications Plan to the General Fund, must remain in the Cable TV Special Revenue Fund and be available to be allocated in future years.
4. Future Fiscal Years: No estimate shown for any fiscal year after FY 2007 reflects any commitment or decision by the Council, and any such estimate should not be taken as prejudging any decision regarding activities or allocations, either in absolute or relative amounts, of expenditures for future years.
5. Management of Funds: All equipment, personnel, and other resources approved in the Cable Communications Plan for funding from the Cable TV Special Revenue Fund must be managed so that the resources are reasonably available to all users of the cable system and provide benefits to the subscribing public and the franchisee.
6. Affirmative Action and MFD Procurement Procedures: The Board of Directors of Montgomery Community Television, Inc. (MCT), must adopt and follow an Affirmative

Action Plan and procedures for procurements from minority-, female-, and disabled-owned businesses (MFD) that take into account both the requirements of the Franchise Agreements with Comcast and RCN and relevant provisions of the County Code.

7. Financial Disclosure: The County must not spend any FY 2007 funds allocated to MCT until all members of the board of directors and the executive director of MCT have filed a financial disclosure statement with the Ethics Commission for the 2005 calendar year.
8. FY 2008-2013 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2008 through FY 2013 to the Council no later than January 16, 2007. The Executive submitted a preliminary 6-year Cable Communications Plan for FY 2006 through FY 2011 to the Council on January 13, 2006. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2006 through FY 2011; (b) a preliminary plan for prioritizing PEG funding needs within the context of the County's long-term vision for Cable television; (c) any capital project expenditures proposed to be funded through the plan; (d) changes to approved multi-year expenditures; and (e) updated projections of plan revenues for FY 2006 through FY 2011.

FY 2007 Cable Communications Plan Description

The FY 2007 Cable Communications Plan provides funding for cable franchise administration (Department of Technology Services, County Attorney's Office, and outside professional services); for municipal equipment and support; for public, educational, and government access programming (Office of Public Information, Council, Montgomery College, Montgomery County Public Schools, and Montgomery Community Television, Inc.); and for other miscellaneous cable-related activities.

The attached table details the approved expenditures from the Cable TV Special Revenue Fund for the following purposes in FY 2007:

Franchise Administration

- A. Funds are allocated to the Department of Technology Services to administer the Franchise Agreements with Comcast and RCN, including inspecting construction, testing signal quality, responding to residents' complaints, budgeting franchise fee and grant funds received from the cable operator, managing the contract to provide public access services, supporting an advisory committee, administering Federal Communications Commission rules and regulations, preparing for and negotiating franchise agreements, and advising elected officials on related policy matters.
- B. Funds are allocated to the County Attorney's Office to support the in-house staff costs associated with advising the Department of Technology Services and elected officials on related matters.

- C. Funds are allocated to hire outside professional services to advise or represent the County in areas of specialized telecommunications needs.

Municipal Support

- D. Funds are allocated for sharing franchise fee revenue with the municipal co-franchisors in accordance with the formula in Section 8A-30 of the County Code.
- E. Funds are allocated to support the 3 PEG channels allocated to (1) the City of Rockville; (2) the City of Takoma Park; and (3) the Montgomery County Chapter of the Maryland Municipal League. Funds are allocated from the Capital Equipment Support Grants, according to the requirements of Section 7(b)(1)(B) of the Franchise Agreement with RCN, the requirements of Section 7(b)(2) of the Franchise Agreement with Comcast, and from the PEG Support Fund according to the requirements of Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement assumed by Comcast from Prime Communications. Funds are allocated from the PEG Support Fund to the extent that the Participating Municipalities meet all applicable matching-fund requirements in the Settlement Agreement.

County Government Access Programming

- F. Funds are allocated for managing the County Government Channel, maintaining County Government Channel video equipment, closed captioning of County Government programming, and for the operation of the Technical Operations Center to monitor and adjust technical quality of PEG Programming.

Funds are allocated to the Office of Public Information for in-house staff to produce Executive Branch programming for the County Government Channel. Funds are allocated for the Office of Public Information for contractors to provide the technical services needed to produce, tape, and transmit programs, and to improve the program guide for the channel.

Funds are allocated to the Council for contractors to provide cable-related services including the technical services needed to produce programming for the Council, the Planning Board, the Parks Department, and Legislative Branch agencies, and to improve the program guide for the County Government Channel.

Educational Access Programming

- G. Funds are allocated to Montgomery College to produce educational programs and operate a cable channel with in-house staff.
- H. Funds are allocated to Montgomery County Public Schools to produce educational programs for children, parents, and teachers; carry Board of Education meetings; and run other educational programming of interest to County residents. MCPS currently operates two educational access channels on the cable system.

Public Access Programming

- I. Funds are allocated for Montgomery Community Television, Inc., to perform services in FY 2007 specified in its contract with the County, including the following:
 - (1) produce and schedule two public access channels, including disseminating information on the daily program schedule;
 - (2) train community producers and technicians in program production and assist residents and community organizations in developing locally produced or locally sponsored programming;
 - (3) provide and maintain a central access studio, field production equipment, and editing facilities for use by community producers in program production;
 - (4) maintain all video equipment provided to MCT or purchased by MCT with cable company or County funds;
 - (5) produce local interest and public affairs programming;
 - (6) promote and encourage programming representing a diversity of community interests and needs; and
 - (7) perform outreach and create programming in the down-county area.

PEG Network

- J. For FY 2007, funds are allocated for PEG Equipment Replacement, for an Emergency Equipment Reserve to be used in case of imminent failure of major PEG video systems, for joint PEG Programming/Promotion, PEG Network Engineering and Administration, closed captioning of select PEG programming, and for PEG Programming to provide access to cable by community organizations.

The Council wishes to encourage the most cost-effective operations of the PEG Channels and has directed the PEG Network to enhance the sharing of equipment, facilities, and personnel. All funds appropriated for PEG Equipment Replacement must be administered by the Office of Cable and Communications Services. Before spending any funds for this purpose, the PEG Network must report to the Council and the Executive on their plans for the purchase and allocation of replacement equipment. The Council intends that preference be given to purchases of equipment and facilities that can be shared by more than one PEG Channel.

The Council encourages the municipal co-franchisors to develop plans for purchasing equipment, using engineering expertise available from the other PEG Channels and the Office of Cable and Communications Services, and acquiring equipment that facilitates the sharing of resources with other PEG channels.

The Office of Cable and Communications Services must not spend funds from the Emergency Equipment Reserve until the PEG Network finds that additional replacement funds are needed to prevent interruption of programming on one or more PEG Channels.

All equipment purchased with Cable Funds, except equipment purchased with Municipal Grant funds or funds allocated to the Village of Friendship Heights under this Plan, must be titled to the Montgomery County Government, which may, under appropriate controls, allocate some of the equipment for use to individual PEG Channels.

Before the PEG Network may spend funds allocated for PEG joint Programming/Promotion, the Network must report its general plans to the Council and the Executive.

For FY 2007, funds are allocated to maintain County mobile production vehicles.

For FY 2007, funds are allocated to replace the microphone system in the Board of Education's meeting room.

Other Expenditures

- K. For FY 2007, funds are allocated to the Village of Friendship Heights for cable programming and equipment expenses.

Institutional Telecommunications

- L. For FY 2007, funds are allocated for Institutional Telecommunications for FiberNet capital improvements and operations. The County's Franchise Agreement with Comcast, assumed from Prime Communications, provides that Comcast must pay grants to support operations, maintenance, and the installation of cables and electronic equipment for the County's FiberNet.

The County plans to expand the FiberNet network to meet the telecommunications needs of County agency facilities. The Department of Technology Services must develop a FiberNet buildout plan that identifies facilities with the greatest need for high-speed voice, data, and video transmissions and for which FiberNet offers lower cost service than private sector telecommunications providers. User agencies must notify the Council before paying any fee to or entering into any agreement with any private provider, if using FiberNet to serve specific facilities is more advantageous to the County. The Council will then consider if adjustments to the funded FiberNet buildout schedule are warranted to avoid paying excessive fees to private providers for telecommunications service to any specific facility.

General Fund Transfers and Repayment Schedule

- M. In FY 2004, \$2,636,000 was appropriated from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. This was the first year that the Executive recommended transferring funds derived from franchise fees for unspecified general government operations.

In FY 2006, the Council allocated \$1,241,000 to fund the County's Automated Traffic Management System. These funds must be repaid according to the same terms and schedule as the General Fund transfers detailed below.

In FY 2007, the Council allocated \$284,000 to fund technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission Operating Budget. These funds must be repaid according to the same terms and schedule as the FY 2006 General Fund transfer detailed below.

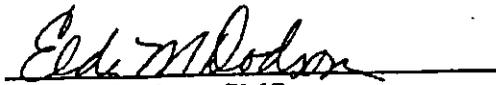
The FY 2004 General Fund transfer, the FY 2006 funding for the Automated Traffic Management System, and the FY 2007 funding for technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission must be repaid without interest according to the following schedule: \$832,000 annually beginning in FY 2008 and continuing through FY 2012, for a total of \$4,160,000.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council approves the attached Cable Communications Plan as described in this resolution and appropriates cable communications grant resources and settlement funds as provided in the Cable Communications Plan and this resolution and any amendments to either that the Council adopts for FY 2007.

This is a correct copy of Council action.


Elda M. Dodson, CMC
Acting Clerk of the Council



Cable and Communications Advisory Committee

April 8, 2008

Montgomery County Council
Executive Office Building
100 Maryland Avenue
Rockville, MD 20850

Dear President Knapp, Vice President Andrews and Members of the Montgomery County Council:

The members of the Montgomery County Cable and Communications Advisory Committee are pleased to submit comments on the budget for fiscal year 2009. We understand that the County is facing diminished revenues, escalating expenses and competing needs. We urge the full support of the budgets submitted by the Office of Cable and Communication Services and the Public Education and Government (PEG) Channels.

Effective and efficient communication throughout our County is facilitated by these entities. Changing technology, including the Federally mandated conversion to digital television, necessitates an increased need for resources to insure that all County residents are equipped with the knowledge and tools needed to stay informed in the years ahead. The full funding of PEG Equipment Replacement budget, which is intended to result in savings on supplies as well as improve productivity, the increased costs resulting from the addition of the shared Mobile Production Vehicle that permits broadcasts from across the County, additional staff support for Montgomery College, MCT, County Cable Montgomery (CCM) and MCPS will also improve their already superior coverage and production.

Public Access Channels are an important element in the education of our community and the open public discourse between elected officials and citizens. This is a powerful vehicle for you to communicate the programs, objectives and processes used to deliver high quality governance, as well as enabling powerful free speech by our county residents. Their budget requests should be fully funded and not subject to any reductions to fund new initiatives. Additionally, the County Cable fund balance must be maintained and used for cable related activities. These are key to the future of our County's quality communication. The Office of Cable and Communication Services fulfills all of these missions. Please support their full budget request.

The Committee urges the full support of the County Council in funding all cable and communications initiatives in the County. Thank you for the support of the residents and services of our County.

Sincerely, *Suzanne J Weiss* 301/299-1488 sjwassoc@comcast.net

Cable and Communications Advisory Committee

- | | | | |
|----------------------|-----------------|-------------------------|--------------|
| Suzanne Weiss, Chair | | Mark Berman, Vice Chair | |
| Jay Boyar | Kernan Chaisson | Yen-Ju Chen | Trish Evans |
| David Friedman | Nat Finkelstein | Grant Moy | Gabriel Nmah |
| Joy Ragsdale | Noreene Wells | Ben Wu | |

c/o Department of Technology Services, Office of Cable and Communication Services
100 Maryland Avenue, Suite 250, Rockville, Maryland 20850

Resolution No.:	<u>16-172</u>
Introduced:	<u>May 24, 2007</u>
Adopted:	<u>May 24, 2007</u>

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council

Subject: Approval of the FY 2008 Cable Communications Plan

Background

1. Section 8A-27(a) of the County Code provides that “All access grants, franchise fees, and other moneys received by the County from any franchisee may be spent only under a budget approved by the Council and in accordance with the County Cable Communications Plan.”
2. Section 8A-27(b) of the County Code provides that “The Cable Communications Plan must be proposed by the County Executive to the Council annually and may be amended at any time.”
3. Section 2.2 of the 2002 AT&T Comcast Transfer Agreement provides that “. . . all provisions of the Franchise Documents remain in full force and effect and are enforceable in accordance with their terms and with applicable law.”
4. Section 7(b) of the 1998 Cable Franchise Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County and SBC Media Ventures, Inc. provides that Comcast must pay a capital grant to the County of “\$200,000 per year . . . to be used by the County, in its sole discretion, for PEG equipment . . . or for PEG-related facilities renovation, or construction.”
5. Section 7(h)(1) of the 1998 Cable Franchise Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County and SBC Media Ventures, Inc. provides that Comcast must pay an annual capital grant to the County of \$1.2 million, adjusted annually by the Consumer Price Index, “to support installation, construction, operations, and maintenance of the County’s FiberNet and associated network equipment, and the Institutional Network . . . ”

6. Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County, Prime Communications, and SBC Media Ventures, Inc., provides that Comcast must pay \$1.5 million, adjusted annually by the Consumer Price Index, for PEG support.
7. Section 7(b) of the 1999 Franchise Agreement with Starpower provides that Starpower must pay a capital grant to the County of “3% of Gross Revenues per year . . . excluding revenues arising from Internet Access . . . to be used by the County . . . for PEG access and institutional network purposes, including PEG access equipment, institutional network equipment or for renovation or construction of PEG access or institutional network facilities.”
8. On February 8, 2005, the County Council approved Resolution 15-889 supporting the transfer of interest in Starpower Communications L.L.C. from Pepco Communications to RCN Telecom Services of Washington, D.C., Inc. Starpower is now doing business as RCN.
9. Section 3.3.6 of the 2006 Franchise Agreement with Verizon Maryland, Inc. provides that Verizon must pay \$200,000 within 30 days of the effective date of the Franchise Agreement and \$200,000 per year for four years on the anniversary of the effective date of the Franchise Agreement. In exchange, the County waived its ability to add more locations for cable service for public buildings above Verizon’s obligation to provide 100 connections at the County’s request.
10. Section 6.2 of the 2006 Franchise Agreement with Verizon provides that Verizon must pay a grant to the County of 3 percent of Gross Revenues each quarter to be used “for PEG and institutional network purposes.”
11. Section 8 of the Franchise Agreements with Comcast and RCN and Section 7 of the Franchise Agreement with Verizon provides that each franchisee must pay, for the life of the franchise, a franchise fee of 5 percent of annual gross revenues.

General Provisions

1. Purpose and Effect: This Cable Communications Plan constitutes the County’s formal direction for the use of resources required to be provided under Sections 7 and 8 of the Franchise Agreements with Comcast and RCN; Section 4.1 of the 1998 Cable Franchise Transfer Settlement Agreement, assumed by Comcast from Prime Communications – Potomac, LLC, between the County, Prime Communications, and SBC Media Ventures, Inc.; and Sections 3, 6, and 7 of the Franchise Agreement with Verizon.

In FY 2008, these resources must be deposited by the County in its Cable TV Special Revenue Fund, and this Cable Communications Plan directs the use of the revenues in this Fund.

2. Spending Authority under the Time Period Governed by This Plan: This Cable Communications Plan provides spending authority for FY 2008. Resources appropriated in FY 2008 that are not encumbered by the County on or before June 30, 2008, must remain in the Cable TV Special Revenue Fund and be available for spending in future years.
3. Carryover: Resources provided to the County as a result of the requirements of the Franchise Agreements with Comcast, RCN, and Verizon, but not specifically allocated in the Cable Communications Plan to the General Fund, must remain in the Cable TV Special Revenue Fund and be available to be allocated in future years.
4. Future Fiscal Years: No estimate shown for any fiscal year after FY 2008 reflects any commitment or decision by the Council, and any such estimate should not be taken as prejudging any decision regarding activities or allocations, either in absolute or relative amounts, of expenditures for future years.
5. Management of Funds: All equipment, personnel, and other resources approved in the Cable Communications Plan for funding from the Cable TV Special Revenue Fund must be managed so that the resources are reasonably available to all users of the cable system and provide benefits to the subscribing public and the franchisee.
6. Affirmative Action and MFD Procurement Procedures: The Board of Directors of Montgomery Community Television, Inc. (MCT), must adopt and follow an Affirmative Action Plan and procedures for procurements from minority-, female-, and disabled-owned businesses (MFD) that take into account both the requirements of the Franchise Agreements with Comcast, RCN, and Verizon and relevant provisions of the County Code.
7. Financial Disclosure: The County must not spend any FY 2008 funds allocated to MCT until all members of the board of directors and the executive director of MCT have filed a financial disclosure statement with the Ethics Commission for the 2006 calendar year.
8. FY 2009-2014 Cable Plan: The Executive must submit a preliminary six-year Cable Communications Plan for FY 2009 through FY 2014 to the Council no later than January 15, 2008. The Executive submitted a preliminary six-year Cable Communications Plan for FY 2007 through FY 2012 to the Council on January 12, 2007. The Preliminary Cable Communications Plan included: (a) a list of known PEG activities and funding needs for FY 2007 through FY 2012; (b) a preliminary plan for prioritizing PEG funding needs within the context of the County's long-term vision for Cable television; (c) any capital project expenditures proposed to be funded through the plan; (d) changes to approved multi-year expenditures; and (e) updated projections of plan revenues for FY 2007 through FY 2012.

FY 2008 Cable Communications Plan Description

The FY 2008 Cable Communications Plan provides funding for cable franchise administration (Department of Technology Services, County Attorney's Office, and outside professional services); for municipal equipment and support; for public, educational, and government access programming (Office of Public Information, Council, Montgomery College, Montgomery County Public Schools, and Montgomery Community Television, Inc.); and for other miscellaneous cable-related activities.

The attached table details the approved expenditures from the Cable TV Special Revenue Fund for the following purposes in FY 2008:

Franchise Administration

- A. Funds are allocated to the Department of Technology Services to administer the Franchise Agreements with Comcast, RCN, and Verizon, including inspecting construction, testing signal quality, responding to residents' complaints, budgeting franchise fee and grant funds received from the cable operator, managing the contract to provide public access services, supporting an advisory committee, administering Federal Communications Commission rules and regulations, preparing for and negotiating franchise agreements, and advising elected officials on related policy matters.

For FY 2008, funds are allocated for a facilitator to assess the current organizational structure of Montgomery Community Television, Inc. and develop a strategic plan for public access in Montgomery County.

- B. Funds are allocated to the County Attorney's Office to support the in-house staff costs associated with advising the Department of Technology Services and elected officials on related matters.
- C. Funds are allocated to hire outside professional services to advise or represent the County in areas of specialized telecommunications needs.

Municipal Support

- D. Funds are allocated for sharing franchise fee revenue with the municipal co-franchisors in accordance with the formula in Section 8A-29 of the County Code.
- E. Funds are allocated to support the 3 PEG channels allocated to (1) the City of Rockville; (2) the City of Takoma Park; and (3) the Montgomery County Chapter of the Maryland Municipal League. Funds are allocated from the Capital Equipment Support Grants, according to the requirements of Section 7(b)(1)(B) of the Franchise Agreement with RCN, the requirements of Section 7(b)(2) of the Franchise Agreement with Comcast, and from the PEG Support Fund according to the requirements of Section 4.1 of the 1998

Cable Franchise Transfer Settlement Agreement assumed by Comcast from Prime Communications. Funds are allocated from the PEG Support Fund to the extent that the Participating Municipalities meet all applicable matching-fund requirements in the Settlement Agreement.

County Government Access Programming

- F. Funds are allocated for managing the County Government Channel, maintaining County Government Channel video equipment, closed captioning of County Government programming, and for the operation of the Technical Operations Center to monitor and adjust technical quality of PEG Programming.

Funds are allocated to the Office of Public Information for in-house staff to produce Executive Branch programming for the County Government Channel. Funds are allocated for the Office of Public Information for contractors to provide the technical services needed to produce, tape, and transmit programs, and to improve the program guide for the channel.

Funds are allocated to the Council for contractors to provide cable-related services including the technical services needed to produce programming for the Council and Legislative Branch agencies.

Funds are allocated to the Montgomery County portion of the Maryland-National Capital Park and Planning Commission for contractors to provide cable-related services, including the technical services needed to produce programming for the Planning Board and the Parks Department.

Educational Access Programming

- G. Funds are allocated to Montgomery College to produce educational programs and operate a cable channel with in-house staff.
- H. Funds are allocated to Montgomery County Public Schools to produce educational programs for children, parents, and teachers; carry Board of Education meetings; and run other educational programming of interest to County residents. MCPS currently operates two educational access channels on the cable system.

Public Access Programming

- I. Funds are allocated for Montgomery Community Television, Inc., to perform services in FY 2008 specified in its contract with the County, including the following:
- (1) produce and schedule two public access channels, including disseminating information on the daily program schedule;

- (2) train community producers and technicians in program production and assist residents and community organizations in developing locally produced or locally sponsored programming;
- (3) provide and maintain a central access studio, field production equipment, and editing facilities for use by community producers in program production;
- (4) maintain all video equipment provided to MCT or purchased by MCT with cable company or County funds;
- (5) produce local interest and public affairs programming;
- (6) promote and encourage programming representing a diversity of community interests and needs; and
- (7) perform outreach and create programming in the down-county area.

PEG Network

- J. For FY 2008, funds are allocated for PEG Equipment Replacement, for an Emergency Equipment Reserve to be used in case of imminent failure of major PEG video systems, for joint PEG Programming/Promotion, PEG Network Engineering and Administration, closed captioning of select PEG programming, and for PEG Programming to provide access to cable by community organizations.

The Council wishes to encourage the most cost-effective operations of the PEG Channels and has directed the PEG Network to enhance the sharing of equipment, facilities, and personnel. All funds appropriated for PEG Equipment Replacement must be administered by the Office of Cable and Communications Services. Before spending any funds for this purpose, the PEG Network must report to the Council and the Executive on their plans for the purchase and allocation of replacement equipment. The Council intends that preference be given to purchases of equipment and facilities that can be shared by more than one PEG Channel.

The Council encourages the municipal co-franchisors to develop plans for purchasing equipment, using engineering expertise available from the other PEG Channels and the Office of Cable and Communications Services, and acquiring equipment that facilitates the sharing of resources with other PEG channels.

The Office of Cable and Communications Services must not spend funds from the Emergency Equipment Reserve until the PEG Network finds that additional replacement funds are needed to prevent interruption of programming on one or more PEG Channels.

All equipment purchased with Cable Funds, except equipment purchased with Municipal Grant funds or funds allocated to the Village of Friendship Heights under this Plan, must be titled to the Montgomery County Government, which may, under appropriate controls, allocate some of the equipment for use to individual PEG Channels.

Before the PEG Network may spend funds allocated for PEG joint Programming/Promotion, the Network must report its general plans to the Council and the Executive.

For FY 2008, funds are allocated for additional county-wide initiatives focused on youth media projects.

For FY 2008, funds are allocated for a consultant to develop a strategy to assist the PEG Network in responding to issues associated with digital migration.

For FY 2008, funds are allocated to maintain County mobile production vehicles.

Other Expenditures

- K. For FY 2008, funds are allocated to the Village of Friendship Heights for cable programming and equipment expenses.

Institutional Telecommunications

- L. For FY 2008, funds are allocated for Institutional Telecommunications for FiberNet capital improvements and operations. The County's Franchise Agreement with Comcast, assumed from Prime Communications, provides that Comcast must pay grants to support operations, maintenance, and the installation of cables and electronic equipment for the County's FiberNet.

The County plans to expand the FiberNet network to meet the telecommunications needs of County agency facilities. The Department of Technology Services must develop a FiberNet buildout plan that identifies facilities with the greatest need for high-speed voice, data, and video transmissions and for which FiberNet offers lower cost service than private sector telecommunications providers. User agencies must notify the Council before paying any fee to or entering into any agreement with any private provider, if using FiberNet to serve specific facilities is more advantageous to the County. The Council will then consider if adjustments to the funded FiberNet buildout schedule are warranted to avoid paying excessive fees to private providers for telecommunications service to any specific facility.

For FY 2008, funds are allocated for partial funding to renovate the hearing room, conference room, and anteroom on the third floor of the Council Office Building. The renovations will improve disability access and upgrade the HVAC, lighting, and audio-visual systems.

For FY 2008, funds are allocated to the Montgomery County portion of the Maryland-National Capital Park and Planning Commission to fund Phase I of the Geographic Information System Strategic Plan.

General Fund Transfers and Repayment Schedule

M. In FY 2004, \$2,636,000 was appropriated from the Cable TV Special Revenue Fund to the General Fund to finance general government operations. This was the first year that the Executive recommended transferring funds derived from franchise fees for unspecified general government operations.

In FY 2006, the Council allocated \$1,241,000 to fund the County's Automated Traffic Management System. These funds must be repaid according to the same terms and schedule as the General Fund transfers detailed below.

In FY 2007, the Council allocated \$284,000 to fund technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission Operating Budget. These funds must be repaid according to the same terms and schedule as the FY 2006 General Fund transfer detailed below.

The FY 2004 General Fund transfer, the FY 2006 funding for the Automated Traffic Management System, and the FY 2007 funding for technology projects for the Montgomery County portion of the Maryland-National Capital Park and Planning Commission must be repaid without interest according to the following schedule: \$432,000 in FY 2008, \$1,232,000 in FY09, and \$832,000 annually beginning in FY 2010 and continuing through FY 2012, for a total of \$4,160,000.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council approves the attached Cable Communications Plan as described in this resolution and appropriates cable communications grant resources and settlement funds as provided in the Cable Communications Plan and this resolution and any amendments to either that the Council adopts for FY 2008.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

MEMORADNUM

April 11, 2008

TO: Duchy Trachtenberg, Chair
Management & Fiscal Policy Committee

FROM: Neil Greenberger, Legislative Information Officer
Delphine Harriston, Program Specialist II
County Council

SUBJECT: FY 2009 Budget Request

The Cable Programming Unit for the County Council's Office of Legislative Information is requesting **\$111,358** above the County Executive's recommended amount of \$404,000 for production services for a total amount of \$515,358. All funds are provided through the Cable Fund and not through tax-supported revenues.

In April 2008, the Cable Programming Unit requested a supplemental appropriation of \$48,000 for FY08 to cover the request of increased programming. The increased programming, in particular, reflected a request to increase the number of Council committee meetings televised, compared to FY07. The additional funding includes changes in personnel operations that occurred in the middle of FY08. These costs reflect a full-time post-production editor and a full-time videographer, replacing the use of less-skilled freelance shooters. Previously, the post-production editor's time, and cost, was spilt with the Office of Public Information. However, the time demands of the position led to the Office of Public Information hiring a full-time post-production editor. The Council now has the much-needed use of the editor full-time and must pay the entire cost.

The increased funding will allow us to meet present programming needs as well as to increase coverage of Council committee sessions by at least 25 additional meetings. The Montgomery County Resident Survey, released in December 2007, showed that residents would like better communications with the Council. Increased coverage of Council activities on Cable County Montgomery is an avenue that will enable the Council to improve communications with the public—and will enhance the goal of having a more transparent governmental process.

Use of PEG Funds and the Cable Fund Surplus

The MFP Committee held an additional worksession on the Cable Communications Plan's FY09 operating budget on May 1 to address certain uses of the Cable Fund balance for additional projects, including recommended uses for Park and Planning. During the worksession, the Cable Office advised the Committee that there may be potential restrictions on the use of the fund balance for these projects because certain funds received for public, educational, or government access facilities (PEG), which may comprise a portion of the fund balance, must be used to support certain PEG expenditures.

Council staff believes that all PEG revenues have been expended appropriately and do not constrain use of the fund balance in excess of the required reserve for other projects that the Council may wish to pursue.

Use of Cable Revenues

The Cable Fund has three primary sources of revenues: the 5% franchise fee assessed on gross revenues; PEG grants; and a settlement payment. The Federal Cable Act limits the franchise fee to 5% of gross revenue. There are no restrictions on the use of these funds under Federal law. In addition to the franchise fee, the County can collect payments from the cable franchisee designated as PEG grants. The use of these funds, however, is restricted to PEG capital costs. These capital costs include equipment and facilities used for PEG access. If any of these monies are used for another purpose, franchisees are entitled to a reduction of the 5% franchise fee. The last major revenue source, the settlement payment, stems from an agreement with Comcast's predecessor, where the franchisee agreed to pay the County \$1.5 million per year, beginning in 1998, adjusted annually by the CPI, as a settlement and release of all claims the County had against the franchisee. The settlement agreement requires these funds to be used to support PEG access, which would include operating costs. Since this settlement is not a fee or charge to the franchisee, Federal law does not restrict its use. Finally, County Code §8A-27(a) requires that all funds received from the cable franchisees be "spent under a budget approved by the Council and in accordance with the County cable communications plan."

FY09 Operating Budget

Based on preliminary estimates for FY09, all PEG revenues will be used for the appropriate PEG expenditures. PEG revenues, excluding the settlement payment of approximately \$1.9 million, total about \$2.89 million. Under the proposed FY09 budget, about \$2.95 million is expected to be spent on PEG capital projects as required by Federal law. Therefore, the FY09 Cable Plan expenditures for PEG capital projects exceed the revenues collected for these purposes. The proposed FY09 Cable Plan also includes operating expenditures to support PEG access in excess of the settlement fee revenues of \$1.9 million. *Consequently, preliminary estimates in the FY09 plan suggest that all of the surplus revenue in the proposed FY09 Cable Plan results from the unrestricted 5% franchise fee.* The Council remains free to use the surplus cable funds

in excess of the designated reserve for other projects in accordance with the Cable Plan. If the Council wishes to use cable funds for other projects, it may appropriate them in the Cable Plan as needed. The chart below illustrates the use of cable fund reserves over the past several years.

Historical Uses of Cable Funds for Other Projects

Fiscal Year	Department	Item	Amount	Conditions
FY08	County Council (CIP)	Council Office Building Renovations to improve disability access and upgrade the HVAC, lighting, and AV systems.	\$323,000	
FY08	M-NCPPC	Park and Planning to fund Phase I of the Geographic Information System Strategic Plan	\$75,000	
FY07	M-NCPPC	Technology Projects for Park and Planning.	\$284,000	Must be repaid without interest.*
FY06	General Fund	Automated Traffic Management System	\$1,241,000	Must be repaid without interest.*
FY04	General Fund	Finance general government operations	\$2,636,000	Must be repaid without interest.*

*These transfers must be repaid without interest according to the following schedule: \$432,000 in FY08, \$1,232,000 in FY09, and \$832,000 annually beginning in FY10 and continuing through FY12 for a total of \$4,160,000.

Proposed Uses of the Cable Fund Reserve

Currently, the FY09 Cable Plan projects a total fund balance of \$1.6 million, of which, \$860,000 must be retained as required by the fund balance policy guidance. This leaves about \$745,000 in the Cable Fund that could be used to fund various initiatives. The Management and Fiscal Policy Committee has recommended funding additional televised Council meetings and programs, which, if approved by Council, would reduce the available fund balance from \$745,000 to \$633,642.

During the April 24 worksession, it was brought to the Committee's attention that the Planning, Housing, and Economic Development (PHED) Committee recommended approval of using the Cable Fund surplus to pay for several Park and Planning initiatives, including:

- Cable Programming (\$20,000)
- Web-casting (\$117,500)
- Purchase of IT Equipment (\$250,000)
- Document Management (\$200,000) and
- Growth Study Traffic Analysis (\$150,000).

These initiatives total \$737,500 for FY09. If all of these changes are approved (both MFP and PHED recommendations), the Cable Fund balance would be \$756,142, or \$103,858 below its required balance of \$860,000.

Council Action	Fund Balance
Fund Balance under Executive's Recommended FY09 Budget	\$1,605,000
Fund Balance if only MFP Recommendation (\$111,358) is Adopted	\$1,493,642
Fund Balance if only PHED Recommendation (\$737,500) is Adopted	\$867,500
Fund Balance if both MFP and PHED Recommendations (\$868,858) are Adopted	\$756,142
FY09 Required Minimum Fund Balance	\$860,000

In addition to these recommended uses of the Cable Fund, the Cable Office has identified potential uses of the Cable Fund balance:

- TOC Monitoring System and PEG Interconnectivity (\$95,400);
- FiberNet Plan Relocation (\$256,000); and
- PEG Equipment (\$250,000).

Summary of Park and Planning Initiatives

Cable Programming: Telewise various Park and Planning hearings. (\$20,000)

Webcasting: These funds would pay the annual cost of webcasting the Planning Board weekly meetings, for a small amount of equipment needed to make the cameras function reliably, and add close captioning (\$117,500)

Purchase of IT Equipment: This money would restore requested funds to make one-time but necessary investments into the department's IT infrastructure, including a storage array network (SAN) which will provide the department with additional network memory to store newly created reports, plans, and other information. Every day, department staff are created new digital files that must be stored on the network, and we need to make occasional investment to increase the memory capacity to keep up. These funds would also pay for an email archiving system; the current system for backup of emails is rudimentary and highly reliant on the individual users. Email has become a kind of document management system for the department, as many important documents are emailed. The goal is to safeguard this information resource and make it easier to use. (\$250,000)

Document Management: These funds would allow continued progress toward our goal of having all important development review documents scanned and entered into our document management system. This project allows full access to the documents by the public; enables easy access by staff; and allows us to secure the paper copies in a secure location. This has been a very successful document management program and considerable progress has been made, but the backlog of documents is large. This project was one of the high priority initiatives to coming out of the Clarksburg events. (\$200,000)

Traffic Analysis: These funds would supply updated traffic counts for the County's most critical intersections. Currently we rely to a great degree on traffic counts submitted by developers. In a slow market in particular, this means that we do not have up-to-date information (less than three years old) for many of our most congested intersections, which makes traffic analysis extremely challenging. This expenditure was included in the adopted Growth Policy. (\$150,000)

MFP COMMITTEE #1
April 24, 2008

Worksession

MEMORANDUM

April 22, 2008

TO: Management and Fiscal Policy Committee
FROM: Susan D. John, Legislative Analyst *SD*
SUBJECT: **Worksession: FY09 Operating Budget
Cable Communications Plan**

The following are expected to attend this worksession:

E. Steven Emanuel, CIO, Department of Technology Services
Amy Wilson, Acting Manager, Office of Cable and Communications

The Committee met on April 16, 2008 to discuss the recommended Cable Communications Plan operating budget. The Committee deferred the worksession until April 24, 2008, and asked for additional information regarding the following:

- Position Descriptions for the two acting managers in the Cable Office (to include both current assignments and interim managerial duties);
- Details of the engineering/inspection contract;
- Accurate status of funding for the Council Office Building renovations in the FY09 CIP; and
- The need and/or benefit of adding more Cable Office oversight to the PEG network.

The Cable Office's response is attached at ©1-13. Please bring the packet dated April 8, 2008 that details the entire Cable Plan operating budget.

This packet contains:

DTS Response Memo	© 1-11
DTS Organizational Chart	12
COB Renovations – Appropriation Report	13

F:\John\Packets\Operating Budget\Cable Followup Worksession 04-24-08.doc



DEPARTMENT OF TECHNOLOGY SERVICES

Isiah Leggett
County Executive

E. Steven Emanuel
Chief Information Officer

April 21, 2008

MEMORANDUM

TO: Susan John, Legislative Analyst
FROM: E. Steven Emanuel, CIO 
SUBJECT: FY09 Cable Communications Plan

The Cable Office has prepared the following responses to the questions raised during the April 16th MFP work session on the Cable Plan.

1. Position descriptions of the two acting managers in the Cable Office (to include both current assignments and interim managerial duties).

The Cable Office reports to the CIO's office. The Cable Administrator reports directly to the CIO (see attached DTS organization chart). During our recent organization study, it was determined that the Cable Office needed to maintain visibility at a senior level. By placing the group under another division, we felt that the importance and effectiveness of the team would appear to be reduced. We feel the unique talents and objectives of the Cable Office require the current reporting relationship.

The Cable Administrator position is classified as a Manager II and is responsible for the administration of the Cable Communications operations for Montgomery County.

Generally, these responsibilities include:

- Strategic planning, policy development and coordination of cable, wireless, and Public Rights-of-Way (PROW) management. Activities include but not limited to: Monitor and comment on Federal, State and local Legislation, Rules, Orders and legal filings related to the County's cable, wireless and PROW management activities; Program development; Prepare and present reports (written and orally) to elected officials, advisory committees and others on cable and telecommunications related activities.
- Oversight of the development, implementation and monitoring of the annual Cable Plan (Fiscal Oversight)

Office of Cable and Communication Services

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- **Cable Franchising Management:** Negotiate cable franchise agreements for overbuilds, transfers, renewals and modifications; Monitor and enforce cable operators' compliance to the terms of the franchises; Provide regulatory oversight on matters such as franchising, rate regulation and consumer protection; Develop, implement and monitor Executive and Legislative orders/laws effecting cable franchising activities.
- **Rights-of-Way Management:** Develop, implement and monitor Executive and Legislative orders/laws affecting Telecom Franchising and compensation for use of the Public Rights-of-Ways (PROW); Provide oversight and ensure compliance of franchise agreements with telecom providers.
- **Oversight of the County's Public, Education and Government (PEG) cable access channels;** Oversight of the County's access channel (County Cable Montgomery (CCM)); Oversight of the PEG Network (work group comprised of members from the County's PEG channel operations); Develop, implement, and monitor compliance with legislation, orders, rules etc. that relate to PEG activities; Oversight of the integration of new cable technologies in existing operating systems to deliver program content as they emerge; Oversight of the development of identified specific uses of broadband technology such as the Internet, video streaming, video on demand, community participation, archiving, and interactive applications to inform and educate our community and promote civic engagement.
- **Management of the County's tower coordination process:** Serve as Chair of the Transmission Facilities Coordinating Group (Tower Committee); Develop, implement and monitor Executive and Legislative orders/laws effecting tower coordination activities.
- **Manage staff and provide direction and oversight of work performed by contractors and consultants.**

The formal position description, recently updated and approved by the Office of Human Resources can be made available, upon request. The posting approval for the position was made by OHR on April 17, 2008.

To ensure that the responsibilities of the Cable Administrator continue to be fulfilled while the position is vacant, two Program Managers (Amy Wilson and Donna Keating) have been temporarily upgraded to functional project leader positions and have assumed the Cable Administrator's supervisory responsibilities in addition to their regular duties. The Cable Office has been temporarily reorganized into two teams lead by the acting project leader positions. Administration and Franchising Services includes franchise negotiations and oversight, budgets, accounts payable and receivables, legislative reporting, policies and procedures, consumer protection and tower transmission siting coordination. External Communications and Outreach Services includes all production services including the Technical Operations Center, television program services, CCM, PEG Network, web services and customer education and outreach.

Ms. Wilson's regular work is characterized by multiple complex and diverse assignments, which have significant impact to the administration of the Cable Office. Work primarily involves decision-making in a political environment, problem resolution and strategic planning in the areas of fiscal management; procurement; contract administration; and project management.

Responsibilities include the development and oversight of the annual Cable Plan; review and authorization of accounts payable and receivables; preparing and/or developing contract documents and serving as Contract Administrator on Cable Office contracts; serving as a member of the County's franchise negotiating team; providing project management in the areas of cable franchising (renewals, transfers, overbuilds), ROW management (Telecom franchising, ROW ordinances) and other special projects such as Cable Franchise Mid-Term Technical Reviews, Needs Assessments, Feasibility Studies, Pilot Projects, developing County ordinances, and Executive Regulations; attending meetings and serving on various committees representing the department and/or the Cable Office; preparing and presenting reports (written and orally) to County Council and the County Executive, other elected officials, advisory committees and others on cable and telecommunications related activities; and coordinating and overseeing the work of the Administrative Specialist II position. Perform other duties as assigned.

An updated position description for Ms. Wilson's position is in progress. The revisions are necessary due to the long tenure of Ms. Wilson in this position and the need to include many tasks and activities that have been added.

Ms. Keating's regular work is characterized by multiple complex and diverse assignments, which have significant impact on the education of our viewers about the programs and services of the County government. Work primarily involves decision-making in a political environment concerning the use of broadband technology as a vehicle for communications, problem resolution, strategic planning, program development, fiscal management; procurement; contract administration and project management. Ms. Keating also has the primary responsibilities for overseeing the mobile production services that have shown their success through the significant increase in usage in the past six months.

Ms. Keating's regular responsibilities include the centralized management for County Cable Montgomery (CCM). Duties include day-to-day decision-making, concerning engineering, equipment and supply acquisition, marketing, programming, new technology applications, public/private partnerships and broad policy objectives. The work product is intended to affect the delivery of services to a significant portion of the community. Duties also include planning, justifying and monitoring CCM budget components (County Council and Office of Public Information), overseeing our transmission facilities and other resources; researching and developing the use of interactive applications; working with appropriate DTS teams to insure integration of new broadband technologies, writing RFP's and IFB's; overseeing the maintenance and updating of Cable Office websites by the Cable IT Specialist I;

hosting programming; formulating or working with outside contractors to develop position papers on strategic plans; representing CCM at community events; overseeing 24/7 signal monitoring for the eleven PEG channels on three cable systems; serving as the County's representative on the PEG Network; planning, defending and monitoring PEG Network budget; developing annual staff training day activities and coordinating the annual PEG Manager's retreat; overseeing the mobile production vehicle scheduling and maintenance; Prepare and present reports (written and orally) to County Council and the County Executive, other elected officials, advisory committees and others on cable and telecommunications related activities as it relates to public, education and government access; coordinating and overseeing the work of the Cable Engineer and other duties as assigned.e.g. working with outside consultants to develop the audio/visual equipment for the COB renovation; PEG Network Digital Study and the Organizational Review of Montgomery County's Public, Education and Government Access Channels.

An updated position description for Ms. Keating's position is in progress. The revisions are necessary due to the long tenure of Ms. Keating in this position and the need to include many tasks and activities that have been added.

The Cable Administrator position is budgeted at \$150,324 (salary and benefits). The annualized increase in acting pay for the two Program Managers is approximately \$20,000 (salary and benefits).

2. Details of the engineering/inspection contract. (e.g., hourly rates, number of staff, types of duties performed, and anything else you feel is relevant).

The County's cable/telecom/wireless engineers, Columbia telecommunications Corporation (CTC) provide services focused on enforcing public safety protections and codes and enhancing consumer protection of cable customers.

This outsourcing model, covering these types of activities, is extremely common. Services of this type are changing at a rapid pace. As such, the types of skills, number of resources and types of services vary continuously, making contracted services a more efficient use of operational funding in this area. Contract services allow the Cable Office to nimbly respond to the variety of engineering services, adjust quickly for increases in need and accomplish tasks in a timely fashion.

Telecommunication Engineering Consulting

FY07 expenditure: \$59,830

FY08 projection: \$35,274

The budget decline is attributable to the conclusion of Verizon franchise negotiations and litigation.

CTC reviews, evaluates, and makes recommendations regarding design, operation, and maintenance, of the County's subscriber cable television systems and the County's I-Net systems. CTC's personnel are knowledgeable in all aspects of coaxial, fiber optics, microwave, and satellite systems as they are used in the transmission of voice, data, and video signals via the cable television and I-Net systems used in the County.

CTC assists the County with technical tasks relating to protecting County interests with respect to FCC rulemakings and/or federal and state legislation. CTC assists the County with technical aspect of cable franchise enforcement with respect to the County's cable franchisees and with franchise negotiations with existing and new cable providers. CTC advises the County about technology changes such as the migration to digital cable and broadcasting and assists with consumer protection activities in the technical area.

Public, Education and Government (PEG) Engineering Support

FY07 expenditure: \$47,500

FY08 projection: \$40,215

The budget decrease is attributable to routine shift in expenditures from year to year depending on needs and funding.

CTC provides engineering consulting services to the PEG operators in areas including: diagnose, troubleshoot and recommend solutions concerning technical problems related to picture quality, audio and video signal origination and transmission, reception and equipment; make recommendations regarding technical standards, as they pertain to PEG operations; evaluate and make recommendations regarding equipment format, system design, diagrams, and operational procedures; provide production engineering support; develop equipment specifications; provide advice, documentation, and information regarding PEG equipment procurement, installation, operation, and maintenance.

Wireless Communications Tower Siting

FY07 expenditure: was not paid from Cable Fund

FY08 projection: \$160,000

This budget increase is attributable to shift of expenditure from General Funds to Cable Fund in FY08, from the DTS operational budget.

In accordance with the County Code, CTC provides coordination and engineering services for wireless facilities siting that serve both to protect consumer/resident interests and to speed deployment of wireless services to County residents and visitors. CTC provides extensive services ranging from engineering evaluation to application processing to RF studies to carrier data verification.

CTC attempts to ensure effective resolution within reasonable time of all complete applications for siting of wireless facilities such that services are available to residents and carriers are satisfied with the fairness of the County process.

CTC also attempts to ensure reasonable process that protects residents and consumers with respect to location of towers.

Inspection of Cable Construction/System to Ensure Compliance with Safety Code and Consumer Protection

FY07 expenditure: \$308,366

FY08 projection: \$326,045

This budget increase is attributable to the addition of a new cable system (Verizon) and associated inspections in FY08.

CTC routinely inspects new cable and telecommunication construction to ensure compliance with relevant public safety standards and regulations. Inspection includes aerial and underground constructions and subscriber premise installation work. CTC conducts safety and code-enforcement inspection of communications facilities in the public rights of way. As requested by the County, CTC investigates and resolves consumer complaints relating to technical insufficiency of communications services.

CTC makes available a technician specialist to investigate, and resolve consumer complaints during all County business hours. CTC also verifies all documented safety and code violations reported by the Operator as "cleared" and re-report any violations that were inaccurately "cleared."

Cable System Performance Monitoring and Testing to Protect Consumers

FY07 expenditure: \$73,356

FY08 projection: \$108,466

This budget increase is attributable to the addition of a new cable system (Verizon) and associated tests in FY08.

CTC conducts multiple forms of tests regularly to verify or enforce compliance with FCC performance standards and ensure subscribers are receiving appropriate performance. CTC provides reports documenting compliance or violation to enable County enforcement.

Current Rates and Staffing Levels

All work is performed under the direction of a licensed professional engineer. Changes in activities may require CTC to change its staffing levels to meet the needs identified by the County. Each of these professionals is assigned to the project on an as-needed basis based on the County's request, to offer specialized expertise. None of these professionals bills exclusively or full-time to Montgomery County. Following is a breakdown of CTC's current staffing complement and rates.

Director of Engineering (2 WY)	\$143.50/hour
Principal Engineer (2WY)	\$132.87/hour
Telecommunications Engineer III (1 WY)	\$115.87/hour
Telecommunications Engineer II (2 WY)	\$105.24/hour
Telecommunications Engineer I (0 FTE)	\$94.61/hour
Principal Analyst (2 WY)	\$132.87/hour
Analyst III (1 WY)	\$115.87/hour
Analyst II (2 WY)	\$105.24/hour
Analyst I (1 WY)	\$94.61/hour
Telecommunications/Video Technician (0 WY)	\$58.47/hour
Telecommunications Inspector (5 WY)	\$52.09/hour
Engineer Aide II (3 WY)	\$52.09/hour
Engineer Aide I (0 WY)	\$41.46/hour

Overall concerns regarding feasibility of bringing these tasks in-house

Changes (in regulation, technology, and carrier deployment plans) require constant changes in staffing levels of qualified, trained professionals, under the direction of licensed professional engineers. Contracting these tasks enables constant changes in staffing levels and expertise at minimal risk to the County.

If County staff is trained to perform these tasks, there is significant risk of workloads failing to match up with available staff, possibly alternating between exceeding workloads in tasks and failing to reach available skill and service levels, as the services needs arise. DTS is in the early stages of reviewing resource skills by incumbent staff. As a part of our review, evaluation of the skills and appropriate tasks to be performed in-house will be conducted to balance internal tasks with those more appropriately outsourced.

External and Internal Factors that require flexibility of service level

- Addition of new cable providers in public right of way (Verizon in FY08; Cavalier potential in FY09) require additional services on as-needed basis
- Cable systems activity levels may require the Contractor to change staffing requirements to meet franchise support requirements.
- Emerging and maturing technologies provide unforeseen opportunities for County deployment of communications services to facilitate County objectives.
- Upcoming transition from analog to digital (of both broadcast and cablecast signals) will require technical assistance in responding to consumer complaints, preparing consumer troubleshooting guides/handbooks, and assisting with County transition.

- Addition of new cable providers in public right of way (Verizon in FY08; Cavalier potential in FY09) require PEG interconnection and evaluation so as to ensure availability of PEG signals on new cable systems.
- PEG signal testing requires specialized skills and multiple kinds of specialized equipment.
- Changes in wireless industry business plans regularly affect volume of applications for tower/antenna siting authority (with little if any predictability, volume of applications can range from five to 100 per month, requiring extreme variation in levels of staffing and effort). Similarly, emerging and maturing technologies and entry of new providers regularly affect number/type of wireless facilities requested for siting authority.
- Changes in communications and cable industry business plans affect volume of construction (and potential for safety violations) in the public rights of way.
- Emerging and maturing technologies affect type of wireline construction in the rights of way.
- Required staffing levels change based on cable systems activity levels for daily, on-site monitoring of construction work in progress.
- Cable systems activity levels may require the Contractor to change staffing requirements to meet testing and monitoring requirements.
- Testing requires specialized skills and multiple kinds of specialized equipment.

3. Accurate status of PDF for Council Office Building renovations CIP (\$629,000), and whether it should be appropriated in FY08 or FY09.

Cable TV funds for the COB Office Building Renovations CIP project are currently appropriated as indicated by the attached report and should be reflected as fully appropriated in FY08 within the Cable Communications Plan.

4. Councilmember Ervin is interested in the possibility of creating a part-time position in the Cable Office to oversee the PEG Network.

Last fall, the PEG Network identified the following tasks/projects that require additional support:

- Coordinating the PEG Network's internal and external outreach activities including but not limited to: annual report, marketing materials, staff trainings and workshops and the PEG Manager retreat;
- Scheduling the mobile production vehicle and personnel;
- Monitoring expenditures;
- Gathering information for electronic newsletters and website; and
- Coordination of outreach activities to support PEG Network planned initiatives.

Currently, the management of these activities is the responsibility Cable Administrator, Manager II. Given Councilmember Ervin's desire to have more management focus on the PEG Network, options for such management will be included as part of the

organization re-evaluation, following a successful offer and hire of the new Cable Administrator.

Given the Council recommendation to obtain a part time resource, using the midpoint hiring salary and default benefit levels for a Program Specialist II position at .5WYs, the cost would be \$37,315. Options to include and streamline these activities may also consider shifting these responsibilities within the current expertise of Cable Office staff and cascade other tasks to a lower cost position to achieve the same result.

ADDITIONAL INFORMATION

I would like to take this opportunity to provide additional information in response to issues discussed during the work session.

Cable Office Staffing: The Cable Office's current staffing complement is 9WYs divided between Cable Administration and County Cable Montgomery Administration.

Cable Administration:

- 1 Full-time Manager II (Vacant)
- 2 Full-time Program Manager II
- 1 Full-time Investigator III
- 1 Full-time Administrative Specialist II
- 1 Full-time Office Services Coordinator

County Cable Montgomery (CCM) Administration

- 1 Full-time Program Manager II
- 1 Full-time Info Technology Specialist III (Engineer)
- 1 Full-time Info Technology Specialist I
- The County Executive's FY09 Recommended Budget includes one new engineering position. This will significantly assist with the growth of the mobile production services as well as capabilities in supporting engineering, maintenance and program-scheduling needs.

Positions and contractual services in the PIO and Legislative Information Office provide additional support/services to CCM:

- 3.2WYs in the Public Information Office (County Staff)
 - 1 Full-time Program Manager I
 - 2 Full-time Program Specialist II
 - .2 WY Graphic Designer
- .6WYs in the Legislative Information Office (County Staff)
 - .6 Program Specialist II
- Contractual Services
 - 1 Full-time Production Coordinator (Council)
 - 2 Full-time Post Production Coordinators (1 Council, 1 PIO).
 - 2 Full-time Videographers (1 Council, 1 PIO)
 - 1 Full-time Producer (PIO)

- 4 Part-time Producers (Council)

Through the Production Services Contract with MCT additional production personnel for Town Hall Meetings, Council Regular Sessions, Council Committee session, Council work sessions, Resident Call-in Shows and other regular programming are provided on an as needed basis.

Other Potential Uses of the Cable Fund Balance:

The Cable Fund is frequently the resource for urgent funding challenges in cable and communications related tasks. The following needs, some of which being identified following the FY09 funding work efforts, have been identified as potential uses of the Cable Fund balance:

TOC Monitoring System and PEG Interconnectivity \$95,400: The current system does not allow two-way video and audio functionality for the transport of our signals between the PEG channels and from remote sites to the Comcast headend. The existing transport equipment is obsolete (manufacturer is out of business and the equipment is optically inefficient.) When the PEG channels want to simulcast a production or cablecast from a remote site (e.g. Strathmore Hall, Marriott Bethesda Convention Center, Gilchrist Center) the signals must be manually switched at the Comcast headend. Additionally, the channel monitoring system, which notifies staff of signal issues 24/7, needs to be upgraded.

This proposed system would add two-way video and audio functionality, replace existing PEG feed equipment, move the PEG transport and programming handoff to the County's Technical Operations Center, improve the PEG monitoring system and simplify the handoff to any additional cable operators.

FiberNet Plant Relocation \$256,000: The State of Maryland is engaged in several large transportation projects within the County. The ICC is the most well know. Other projects that represent unfunded mandates to the County at this time are:

1. Montrose Parkway & 355 Interchange Project;
2. Georgia Ave and Randolph Road intersection redesign; and
3. Georgia Ave and Norbeck Road intersection redesign.

Each of these represents a budgetary threat to the FiberNet CIP because it is the only source of funds for maintaining the physical plant. This year already, Montrose Parkway construction required DPWT to move fiber assets on Randolph Road to make way for the road building. This project required \$117,000 from the FiberNet CIP. The next project scheduled for construction within the two years will be the Georgia Avenue and Randolph Road project. DPWT has estimated the cost to relocate fiber assets near this intersection to be roughly \$256,000. Nowhere in any county budget have funds been appropriated for construction costs of this magnitude. Three years ago, the FiberNet CIP began to appropriate \$50,000 each year for relocation costs. The newly identified scope of these projects makes that amount woefully inadequate.

PEG Equipment \$250,000: The PEG Network members have continued their migration to a digital environment, which has played a major role in the Network's success and accomplishments, and has allowed them to enhance programming services. Many of the members stream their programming over the internet. This allows them to expand their target audience to include those that do not receive cable services or are outside the cable viewing area. In addition, members have begun to provide on-demand programming capabilities via the internet.

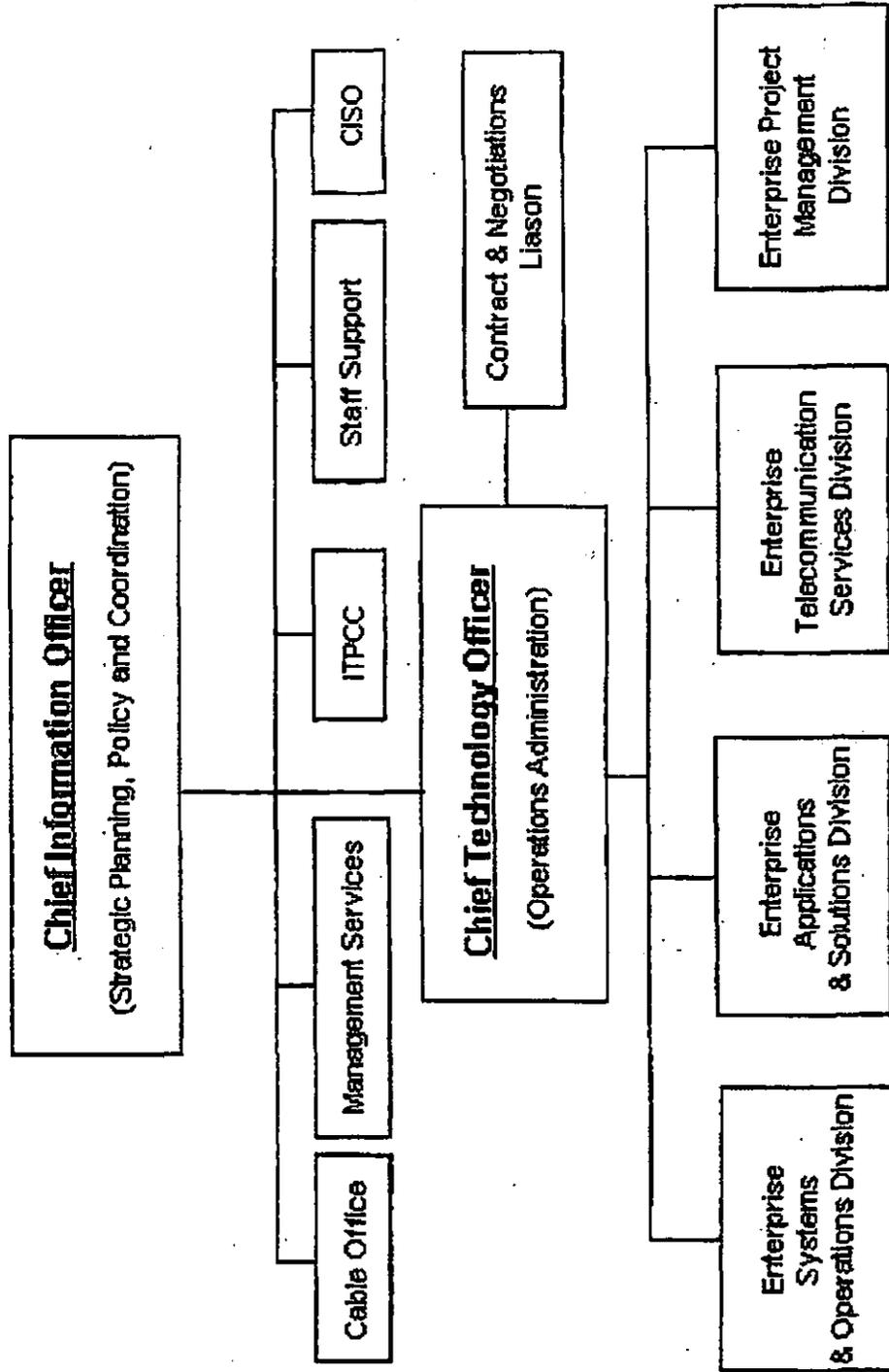
This funding is shared among Montgomery College, Montgomery Community Television, MCPS, and County Cable Montgomery to continue their planned migration to digital facilities, replace fallow equipment used to produce and cablecast programming, and provide enhanced production services. It should be noted that digital equipment has a shorter lifespan than analog equipment and therefore must be replaced sooner.

Additionally, there have been requests from other agencies that depend on the Cable Fund for operational needs. These requests, which may be directly routed to Council, would be in addition to the amount included in the County Executive's recommended Cable Plan.

c: Donna Keating
Amy Wilson



Department of Technology Services Office of the CIO/CTO



APPROPRIATION BY FUNDING SOURCE CALCULATION REPORT (MCG Only)
FY08-14 FULL YEAR
YEAR 1

PDF #	Project Name	Funding Source	Total Cumulative Appropriation Per Finance (Excludes Supplementals & Transfers After 9/30/2007)	Thru FY07	FY08 Estimate	Thru FY08 Available (+)/ Required (-)	FY09 Available (+)/ Required (-)	FY09 Estimate	FY10 To Beyond 6 Year Estimate	FY09 Appropriation If Full	FY09 Note: Not Calculated If Partial	
	General Government											
	County Offices and Other Improvements											
010100	Council Office Building Renovations		952	0	323	629	629	629	0	0	0	
	Cable TV		2,955	13	884	2,058	2,783	2,783	0	0	0	
	G.O. Bonds		3,907	13	1,207	2,887	3,412	3,412	0	0	0	
150701	Technology Modernization -- MCG		5,084	0	5,084	0	10,509	10,509	24,883	0	0	
	Current Revenue: General		0	0	0	0	12,006	12,006	20,579	0	0	
	Short-Term Financing		5,084	0	5,084	0	22,515	22,515	45,442	0	0	
500004	Glen Echo Park		300	300	0	0	0	0	0	0	0	
	Contributions		7,302	7,302	0	0	700	700	0	0	0	
	Federal Aid		1,015	0	1,015	0	0	0	0	0	0	
	G.O. Bonds		5,895	5,895	0	0	0	0	0	0	0	
	PAYGO		7,000	6,775	225	0	0	0	0	0	0	
	Slate Aid		21,512	20,272	1,240	0	700	700	0	0	0	
500122	Moneysworth Farm Reuse		1,297	504	793	0	0	0	0	0	0	
	G.O. Bonds		1,297	504	793	0	0	0	0	0	0	
500152	Facilities Site Selection: MCG		385	230	155	0	75	75	175	0	0	
	Current Revenue: General		385	230	155	0	75	75	175	0	0	

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